



MADRAS LEGISLATIVE COUNCIL DEBATES

SECOND SESSION OF THE LEGISLATIVE COUNCIL
UNDER THE CONSTITUTION OF INDIA.

Volume II (Nos. 1 11).

27th and 30th June, 4th, 5th, 7th to 11th, 30th and 31st July 1952.

TABLE OF CONTENTS.

Friday, 27th June 1952.

	PAGES
I Swearing-in of a new Member	1
II Questions and Answers	1-5
III Message from the Governor	5
IV Presentation of the Budget for the year 1952-53	5-8, 17-53
V Privilege Motion <i>re</i> leakage of information <i>re</i> Government's taxation proposals	8-15
VI Papers laid on the table of the House	15-16

Monday, 30th June 1952.

I Questions and Answers	55-61, 75
II Message from the Assembly	61
III Chairman's ruling on the privilege motion <i>re</i> leakage of informa- tion <i>re</i> Government's taxation proposals	62
IV Panel of Chairmen	63
V Government motions <i>re</i> —	
(1) House Committee	63
(2) Committee of Privileges	63-64
(3) State Library Committee	64
(4) Reorganized M. & S. M. Railway Local Advisory Committee of the Southern Railways	65
VI Government Bill—The Madras Requisitioned Land (Continuance of Powers) Bill, 1952 (L. A. Bill No. 3 of 1952) (as passed by the Assembly)	66-74 75-88
VII Papers laid on the table of the House	74

Friday, 4th July 1952.

I Questions and Answers	89-104
II Announcements by the Hon. Chairman <i>re</i> —	
(1) Election of six members to the House Committee	104
(2) Election of nine members to the Committee of Privileges	104-105
(3) Election of one member to the State Library Committee	105
(4) Election of one member to the Local Advisory Committee of the reorganized Madras and Southern Mahratta Railway	105
(5) Election of two members to the Senate of the Annamalai University	105
III Government Business—General discussion on the Budget for the year 1952-53	106-125
IV Paper laid on the table of the House	125

Saturday, 5th July 1952.

PAGES

I Questions and Answers	127-131
II Government Business—General Discussion on the Budget for the year 1952-53—cont.	131-161

Monday, 7th July 1952.

I Questions and Answers	163-169
II General Discussion on the Budget for the year 1952-53—cont.	170-200

Tuesday, 8th July 1952.

I Questions and Answers	201-208
II Announcement by the Hon. Chairman <i>re</i> Election of a Member to the State Library Committee	208
III General Discussion on the Budget for the year 1952-53—cont.	208-235

Wednesday, 9th July 1952.

I Questions and Answers	241-245
II Announcement by the Hon. Chairman—Result of election to the State Library Committee	245
III Government Business—General Discussion on the Budget for the year 1952-53—cont.	245-275

Thursday, 10th July 1952.

I Questions and Answers	277
II General Discussion on the Budget for the year 1952-53—cont.	278-315

Friday, 11th July 1952.

I Questions and Answers	317-323
II Government Business—General Discussion on the Budget for the year 1952-53	356-361
III Papers laid on the table of the House	324-355
	355

Wednesday 30th July 1952.

I Condolence Resolution on the death of Sri V. Durgaprasad Veerabhadra Deo Bahadur, Raja of Kurupam, M.L.A.	363-364
II Questions and Answers	364-382
	410-414
III Adjournment Motion <i>re</i> —Movement for rubbing off Hindi lettering from Railway Station name boards	382-384
IV Announcement by the Honourable Chairman—	
(1) Message from the Assembly	384
(2) Message from the Governor	384
V Government Bill—	
The Madras Appropriation (No. 2) Bill, 1952 (L.A. Bill No. 7 of 1952) as passed by the Assembly	384-409
VI Paper laid on the table of the House	409

Thursday, 31st July 1952.

I Questions and Answers	415-433
	475-481
II Government Bill—	
The Madras Appropriation (No. 2) Bill, 1952—contd.	433-470
III Government Motion—	
Amendment to Schedule IV to the Madras District Municipalities Act, 1919	471-474
IV Message from the Assembly	474
V Papers laid on the table of the House	474

PERSONNEL OF THE GOVERNMENT OF MADRAS.

GOVERNOR OF MADRAS.

SHRI SRI PRAKASA.

MEMBERS OF THE COUNCIL OF MINISTERS.

- 1 THE HON. SRI C. RAJAGOPALACHARI, *Chief Minister.*
- 2 THE HON. SRI A. B. SHETTY, *Minister in charge of Medical and Health.*
- 3 THE HON. SRI C. SUBRAMANIAM, *Minister in charge of Finance, Food and Elections.*
- 4 THE HON. SRI K. VENKATASWAMY NAIDU, *Minister in charge of Religious Endowments and Registration.*
- 5 THE HON. SRI N. RANGA REDDI, *Minister in charge of Public Works.*
- 6 THE HON. DR. M. V. KRISHNA RAO, *Minister in charge of Education, Harijan Uplift and Information.*
- 7 THE HON. SRI V. C. PALANISWAMI GOUNDER, *Minister in charge of Prohibition.*
- 8 THE HON. DR. U. KRISHNA RAO, *Minister in charge of Industries and Labour, Motor Transport, Settlement of Ex-servicemen, Railways, Posts and Telegraphs and Civil Aviation.*
- 9 THE HON. DR. R. NAGANA GOUD, *Minister in charge of Agriculture, Forests, Veterinary, Animal Husbandry, Fisheries and Cinchona.*
- 10 THE HON. SRI N. SANKARA REDDI, *Minister in charge of Local Administration.*
- 11 THE HON. SRI M. A. MANICKAVELU NAICKER, *Minister in charge of Land Revenue.*
- 12 THE HON. SRI K. P. KUTTIKRISHNAN NAIR, *Minister in charge of Courts and Prisons and Legal Department.*
- 13 THE HON. RAJA SRI SHANMUGA RAJESWARA SETHUPATHI, *Minister in charge of House Rent Control.*
- 14 THE HON. SRI S. B. P. PATTABHI RAMA RAO, *Minister in charge of Rural Welfare, Commercial Taxes and Scheduled Areas.*
- 15 THE HON. SRI D. SANJEEVIAH, *Minister in charge of Co-operation and Housing.*

THE MADRAS LEGISLATIVE COUNCIL.

PRINCIPAL OFFICERS.

Chairman.

DR. P. V. CHERIAN.

Deputy Chairman.

JANAB A. M. ALLAPICHAJ.

Panel of Chairmen.

SRI K. BHASHYAM.

SRIMATHI S. MANJUBHASHINI.

SRIMATHI J. SITAMAHALAXMI.

DR. R. K. SHANMUKHAM CHETTY.

Secretary to the State Legislature.

SRI R. V. KRISHNA AYYAR, B.A., M.L.

Joint Secretary to the State Legislature.

SRI G. V. CHOWDARY, LL.B. (London),

Bar.-at-Law.

Deputy Secretary to the Council.

SRI M. SURYA RAO, B.A., B.L.

LIST OF MEMBERS OF THE MADRAS LEGISLATIVE COUNCIL WITH THEIR CONSTITUENCIES.

Serial number and name of member.	Name and class of constituency.
1 Abdul Salam	South Arcot <i>cum</i> Tanjore <i>cum</i> Tiruchirappalli Local Authorities.
2 Adityan, S. B.	State Legislative Assembly.
3 Allapichai, A. M.	Do.
4 Annamalai Pillai, N.	Do.
5 Balasubramanya Ayyar, K.	Madras South Graduates.
6 Bhashyam Ayyangar, V.	Nominated.
7 Bhashyam, K.	Madras South Graduates.
8 Chakkarai Chetty, V.	State Legislative Assembly.
9 Chengalraya Chetty, S.	Nellore <i>cum</i> Chingleput <i>cum</i> North Arcot Local Authorities.
10 Cherian, Dr. P. V.	Madras South Graduates.
11 Clubwala, Mrs. M. N.	Nominated.
12 Daivasikamani Achariyar, T. M.	Do.
13 Ethirajalu, M.	State Legislative Assembly.
14 Gnanamuttu, Alexander	Madras South Teachers.
15 Govinda Menon, M. P.	State Legislative Assembly.
16 Govindarajulu Naidu, R.	Do.
17 Gurunandan Row, V.	Do.
18 Harischandra Prasad, M.	West Godavari <i>cum</i> Krish- na <i>cum</i> Guntur Local Authorities.
19 Krishnamoorthy, G.	Madras South Teachers.
20 Krishnamurthi, T. G.	State Legislative Assembly.
21 Krishna Rao, The Hon. Dr. M. V. (Minister).	Madras North Graduates.
22 Kunhipocker, T. T. P.	West Coast Local Authorities.
23 Lakshmanaswami Mudaliar, Dr. A.	Madras South Graduates.
24 Mahabaleswarappa, Y.	Ceded Districts Local Authorities.
25 Manjubhashini, S.	State Legislative Assembly.
26 Marthandam Pillai, P. N.	Nominated.
27 Marudavanam Pillai, C.	South Arcot <i>cum</i> Tanjore <i>cum</i> Tiruchirappalli Local Authorities.
28 Muthulakshmi Reddi, Dr. S.	Nominated.
29 Nathamuni Reddy, R.	Nellore <i>cum</i> Chittoor Local Authorities.

Serial number and name of member.	Name and class of constituency.
30 Nallanapathi Sarkarai Manradiar, N.	State Legislative Assembly.
31 Narasapaya, S.	West Coast Local Authorities.
32 Nathamuni Naidu, Dr. C.	Madras cum Chingleput cum North Arcot Local Authorities.
33 Odayappa, S. O. S. P.	Madurai cum Ramanathapuram cum Tirunelveli Local Authorities.
34 Palaniswami Gounder, K. N.	Salem cum Coimbatore cum Nilgiris Local Authorities.
35 Parameswaran, E. H.	Madras South Teachers.
36 Pendyala Sree Ramachandra Venkatakrishna Ranga Rao.	State Legislative Assembly.
37 Perumalsamy Reddy, C.	Madras cum Chingleput cum North Arcot Local Authorities.
38 Prakasam, T.	State Legislative Assembly.
39 Purushothama Mudaliar, T.	Madras cum Chingleput cum North Arcot Local Authorities.
40 Rajagopalachari, The Hon. Sri C. (Chief Minister).	Nominated.
41 Rajeswara Rao, C.	State Legislative Assembly.
42 Ramakrishniah, S.	Madras North Teachers.
43 Ramakrishna, V.	State Legislative Assembly.
44 Ramaswami Reddiar, O. P.	Nominated.
45 Ranganathan, V. R.	Madras South Teachers.
46 Ranga Reddi, The Hon. Sri N. (Minister).	State Legislative Assembly.
47 Rangaswami Naidu	Salem cum Coimbatore cum Nilgiris Local Authorities.
48 Sankaranarayana Pillai, T. S.	Madurai cum Ramanathapuram cum Tirunelveli Local Authorities.
49 Satyanarayana, M.	Nominated.
50 Satyanarayana, N.	Do.
51 Seetharamayya, P.	Srikakulam cum Visakhapatnam cum East Godavari Local Authorities.
52 Shanmukham Chetty, Dr. R. K.	State Legislative Assembly.
53 Sitamahalaaxmi, J.	Madras North Graduates.

Serial number and name of member.	Name and class of constituency.
54 Sitarama Dass, M.	West Godavari <i>cum</i> Krishna <i>cum</i> Guntur Local Authorities.
55 Sivagnana Gramany, M. P.	State Legislative Assembly.
56 Sivasubramania Nadar, S. P.	Madurai <i>cum</i> Ramanathapuram <i>cum</i> Tirunelveli Local Authorities.
57 Somasundaram, A.	South Arcot <i>cum</i> Tanjore <i>cum</i> Tiruchirappalli Local Authorities.
58 Subramanyam, A.	State Legislative Assembly.
59 Subrahmanyam, B. V.	Do.
60 Subbulakshmi Ammal, Srimathi R. S.	Nominated.
61 Sudarsanam, M.	State Legislative Assembly.
62 Suryanarayana, K.	Srikakulam <i>cum</i> Visakhapatnam <i>cum</i> East Godavari Local Authorities.
63 Syed Mahaboob	State Legislative Assembly.
64 Thiagaraja Reddiar, P. B. K.	Salem <i>cum</i> Coimbatore <i>cum</i> Nilgiris Local Authorities.
65 Usman, Janab Mahomed	Nominated.
66 Venkatasubbarao Chowdary, R.	Srikakulam <i>cum</i> Visakhapatnam <i>cum</i> East Godavari Local Authorities.
67 Venkatachalam, G.	Nominated.
68 Venkateswarlu, N.	West Godavari <i>cum</i> Krishna <i>cum</i> Guntur Local Authorities.
69 Venkata Reddi, G.	Ceded Districts Local Authorities.
70 Venkata Rao, D.	Madras North Teachers.
71 Wilson, T. J. M.	State Legislative Assembly.
72 Yagneswara Sarma, K. P.	Do.



THE MADRAS LEGISLATIVE COUNCIL.

Friday, the 27th June 1952.

The House met in the Council Chamber, Fort St. George, at half past six of the clock, Mr. Chairman (THE HON. DR. P. V. CHERIAN) in the Chair.

I.—SWEARING-IN OF A NEW MEMBER.

Dr. A. Lakshmanaswami Mudaliyar was sworn in.

II.—QUESTIONS AND ANSWERS.

STARRED QUESTIONS.

Constitution of a separate Ministry for House Rent Control.

* 1 Q.—SRI T. PURUSHOTHAMA MUDALIAR: Will the Hon. the Chief Minister be pleased to state—

(a) the reasons for constituting a separate Ministry for House Rent Control; and

(b) whether it is proposed to add any other portfolio to the above Ministry?

THE HON. SRI C. RAJAGOPALACHARI:—“(a) The question of living accommodation in overcrowded urban areas and the difficult and delicate work of controlling and managing the properties of private persons in a just manner requires the concentrated attention of a Minister.

“(b) In addition to House Rent and Accommodation Control, Raja Sri Shanmuga Rajeswara Sethupathi is in charge of ‘Sports and playing fields’, and he also helps to some extent the Minister for Education without reducing the latter’s responsibility. There is no proposal now to add to his portfolio. As the Council of Ministers is collectively responsible, the allotment of work by mutual arrangement among its members is not a proper matter for public discussion in any form.”

SRI S. B. ADITYAN:—“The Hon. the Chief Minister replied that the Hon. Minister for Rent Control is also in charge of ‘Sports’. May I ask, Sir, whether ‘Sports’ includes horse-racing also?”

THE HON. SRI C. RAJAGOPALACHARI:—“It does, Sir. A dictionary would have helped my friend instead of a question here.”

[27th June 1952]

Government Headquarters Hospital, Ootacamund.

*2 Q.—SRI T. PURUSHOTHAMA MUDALIAR: Will the Hon. the Minister for Health be pleased to state—

(a) whether the attention of the Government has been drawn to the report in the 'Mail', dated 19th April 1952, of the proceedings of the Ootacamund Municipal Council pointing out the unsatisfactory state of the Government Headquarters Hospital, Ootacamund;

(b) whether the Government have called upon the Director of Medical Services, Madras, to enquire into the above and report immediately;

(c) who is the present Superintendent of the Government Headquarters Hospital, Ootacamund, and how long he has been in that place;

(d) whether there is any rule that District Collectors and other Government officers should not be kept in the same station for more than three years and that they shall be transferred once in three years; and

(e) whether the rule has been suspended during war time, and if so, why it has not been revived?

THE HON. SRI A. B. SHETTY:—“(a) & (b) The municipal council's complaint is under investigation.

“(c) to (e) The present Superintendent of the hospital has been there from 29th September 1950, i.e., for much less than two years. If, therefore, the implication of the question was that the officer has been there for more than three years, it is wholly incorrect. The hon. Member, who is a retired Superintendent of the Health Department, should know that the so-called three-year rule is that no officer should unnecessarily be transferred within three years. It is therefore the other way about. But this too cannot always be adhered to.”

Transfer of secondary schools from district boards to Government control.

* 3 Q.—SRI T. PURUSHOTHAMA MUDALIAR: Will the Hon. the Minister for Education be pleased to state—

(a) whether the Government propose to take over the control of secondary education from the district boards;

(b) if so, whether any of the secondary schools have been actually taken over by the Government from the district boards;

(c) how many such secondary schools have been ordered to be taken by the Government during the last year and this year and what they are; and

(d) whether any compensation is given to the district boards for transfer of the school buildings to the Government in such cases?

27th June 1952]

THE HON. DR. M. V. KRISHNA RAO:—“(a) No.

“(b) to (d) The Government propose to take over the following eight schools belonging to the District Boards under their management with effect from the school year 1952-53:—

- 1 Board High School, Bhadrachalam, East Godavari Agency district.
- 2 Board High School, Kotagiri, the Nilgiris district.
- 3 Board High School, Paramakudi, Ramanathapuram district.
- 4 Board High School, Tirur, Malabar district.
- 5 Board High School, Harpanahalli, Bellary district.
- 6 Board High School, Kunnathur, Chingleput district.
- 7 Board High School, Attur, Salem district.
- 8 Board High School, Mulki, South Kanara district.

“The transfer is necessitated consequent on a regulation framed by the University of Madras that Lecturers appointed to Government Training Colleges should have put in a service of three years in a Government secondary school. In order to comply with this Regulation, the Government have decided to take over under their management a few secondary schools now under local bodies' control and run them as model secondary schools wherein qualified persons could have the necessary training for this purpose. No compensation is proposed to be given to the local bodies on this account.”

SRI T. PURUSHOTHAMA MUDALIAR:—“May I ask, Sir, whether the local bodies were consulted before the schools were taken over by the Government?”

THE HON. DR. M. V. KRISHNA RAO:—“I want notice, Sir.”

Issue of liquor permits.

* 4 Q.—SRI T. PURUSHOTHAMA MUDALIAR: Will the Hon. the Minister for Prohibition be pleased to state—

- (a) whether liquor permits are issued on health certificates;
- (b) whether it is a fact that the quota recommended by medical authorities is generally cut down by the Government with reference to the income statement furnished by the applicants for such permits; and
- (c) whether the Government have considered liberalization of rules for grant of liquor permits on medical grounds?

THE HON. SRI V. C. PALANISWAMI GOUNDER:—“(a) Yes, Sir.

[27th June 1952]

“(b) The quota recommended in medical certificates is generally being granted except when Government consider that in view of the low income of the applicant there is a likelihood of misuse.

“(c) As permits for the consumption of liquor are being granted on medical grounds, the question of liberalisation of rules does not arise.”

SRI S. B. ADITYAN :—“ With reference to answer to clause (a), may I know whether permits on grounds of ill-health are granted to high Government officials who are on duty? ”

THE HON. SRI V. C. PALANISWAMI GOUNDER :—“ I have already said that permits are issued on medical grounds.”

SRI ALEXANDER GNANAMUTTU :—“ May I know what exactly is the minimum quota that will be allowed on a health certificate? ”

THE HON. SRI V. C. PALANISWAMI GOUNDER :—“ That varies with reference to the recommendations of the doctor.”

SRI Y. MAHABALESWARAPPA :—“ May I bring to the notice of the Government that as some of the District Prohibition Officers do not possess telephone connections, they are put to great inconvenience and difficulty, and ask how these officers can effectively discharge their duties without telephone facilities? ”

THE HON. SRI V. C. PALANISWAMI GOUNDER :—“ This question, I submit, does not relate to the main question. I suggest that a fresh question might be put.”

SRI S. B. ADITYAN :—“ May I know, Sir, whether high Government officials who have been granted permits on grounds of ill-health are allowed to be on active service and do heavy duties? Is it correct to assume that an officer who is ill enough to be granted a certificate for a liquor permit is not so ill as to necessitate his going on leave? The Hon. Minister said that high Government officials are also granted liquor permits on grounds of ill-health. I am asking, Sir, whether high Government officials who have been granted liquor permits on grounds of ill-health are allowed to be on active duty and do heavy duties? ”

THE HON. SRI V. C. PALANISWAMI GOUNDER :—“ I did not really mean that. What I meant by the expression ‘ medical grounds ’ was the recommendation of the doctor.”

SRI S. B. ADITYAN :—“ May I ask, Sir, if the Government are really serious about strictly enforcing the policy of Prohibition, why they should not start with their high officials and refuse liquor permits to them? ”

THE HON. SRI V. C. PALANISWAMI GOUNDER :—“ It is a matter for consideration and I want notice.”

27th June 1952]

SRI V. CHAKKARAI CHETTY:—"Can the Hon. Minister say how many such medical certificates have been issued and what the quantity is of the liquor, foreign and indigenous, that has been supplied to them?"

THE HON. SRI V. C. PALANISWAMI GOUNDER:—"Notice, Sir."

III.—MESSAGE FROM THE GOVERNOR.

MR. CHAIRMAN:—"I have to announce to the House that I have received the following letter, dated the 25th May 1952, from Shri Sri Prakasa, Governor of Madras:—

'I have received with great satisfaction your Resolution of thanks for the Address with which I opened the present session of the Legislature'."

[Note.—An asterisk (*) at the commencement of a speech indicates revision by the Member.]

IV.—BUDGET FOR THE YEAR 1952-53.

* **THE HON. SRI C. RAJAGOPALACHARI**:—"Mr. Chairman, Sir, on behalf of the Minister for Finance, I present to this House the Budget of the Government of Madras for the year 1952-53. Copies of the Budget speech of the Finance Minister^a are now with all hon. Members and I think it is not necessary that I should formally read out his speech. With your leave, I shall make only a few observations.

"The main feature of the present Budget is that it is highly deficit. This was to be expected in view of the increasing demand of the public for welfare services. Ambitious targets have been set for the constructive work of all departments. New items of ameliorative service are making increasing demands on the exchequer. Political conditions and the post-war economic confusion have created new problems in administration, which call for substantial increases in administrative and security services. The progressive increase in expenditure in various departments can be seen from the following comparative figures:—

	Expenditure in 1945-46 RS. LAKHS.	Estimated expenditure in 1951-52 RS. LAKHS.
Education	460	1,180
Public Health	234	483
Agriculture	74	389
Highways	146	499
Rural Development	NIL	57
Harijan Uplift	29	113
Police	298	668
General Administration	427	712

^a See Appendix on pages 17-53 infra.

[Sri C. Rajagopalachari] [27th June 1952]

“ In order to meet the growing needs of the exchequer, additional taxes had been levied from time to time. The one source which was found most fruitful, was the General Sales Tax, including the levies on petrol and entertainments. While there need be no limit to the amount that can be spent by a welfare department, there is a natural limit to the growth in the revenues of the State, because the latter must necessarily come out of the taxable margin in the *per capita* income of the citizen. We can have a Welfare State only if we work for it and step up production. To those who see, the present Budget draws attention to this grim reality in Public Finance.

“ The precarious balance between Revenue and Expenditure, which had been maintained during the past few years was now thrown completely out of gear, by famine. The outlay on the various relief measures has been roughly estimated at about Rs. 6 crores as detailed in the Budget speech. At the same time, the slump in trade and industry has materially affected our revenues from the General Sales Tax. As against a total revenue of Rs. 63½ crores, as anticipated in the revised estimate of last year, the actual realization was only a little over Rs. 59 crores, registering a fall of Rs. 430 lakhs. The decrease in revenue was mainly under Land Revenue—Rs. 121 lakhs, Sales Tax—Rs. 67 lakhs, Electricity Schemes—Rs. 53 lakhs and Stamps—Rs. 74 lakhs. The net result of last year's transaction, was a revenue deficit of Rs. 329 lakhs, as compared with a deficit of only Rs. 10 lakhs, anticipated in the revised estimate. This deficit was covered by the only expedient possible, namely, by withdrawal from the Reserves.

“ For the current year, the Interim Budget presented last March, had anticipated a revenue of Rs. 63 crores 90 lakhs and an expenditure of Rs. 64 crores 76 lakhs, leaving a deficit of Rs. 86 lakhs. These estimates were prepared on the actuals of the first eight months of last year and before the adverse turn in our fortune had set in. According to present anticipations, our revenues are not likely to exceed Rs. 61 crores 76 lakhs, but our expenditure will be of the order of Rs. 65 crores 35 lakhs, leaving a deficit of Rs. 3 crores 59 lakhs. Receipts under General Sales Tax alone are likely to fall by Rs. 1 crore 50 lakhs and the subsidies anticipated from the Government of India on Grow-More-Food schemes, have come down by Rs. 60 lakhs. The expenditure on relief measures is expected to be Rs. 73 lakhs more than what had been estimated earlier.

“ In a year of large revenue deficit, it is not orthodox finance to enter into new commitments. And yet we have granted liberal concessions to large numbers of public servants at a cost which may well mount up to Rs. 1 crore per annum. Several beneficent new schemes, the ultimate cost of which will amount to Rs. 4 crores, are proposed to be introduced; as explained in paragraph 12 of the Budget speech. Actually, the deficit in the Budget could

27th June 1952]

[Sri C. Rajagopalachari]

be reduced very considerably or even wiped off, if these new measures are put off. If we had decided to steer that course, this House would have rightly said that we lacked a dynamic policy.

"If the State should be progressive in respect of new development schemes, it follows axiomatically that new resources should be tapped. The new taxation proposals explained in paragraph 20 of the Budget speech have therefore become unavoidable. These proposals may bring in an additional revenue of about Rs. 4 crores in a full year; but the amount taken credit for during the remaining period of the current year is only Rs. 270 lakhs, reducing the deficit to manageable proportions. It may be possible, in due course, to effect some savings in certain administrative departments in the light of the new policies of the Government. The problem of University-educated middleclass unemployment by retrenching large establishments is real, but it has to be faced to the extent practicable. The matter is engaging our close attention.

"On the side of Capital Expenditure, we are doing fairly well. Our projects are making rapid progress and a good many of them may be expected to be completed this year and the next. We have invested about Rs. 16 crores on them last year and we have programmed to invest a similar sum on them during the current year. With this investment, our reserves will be practically wiped out, but as explained by the Finance Minister, the reserves were built up primarily for the purpose of financing capital works and therefore, we should not regret having put them to proper use. We may be in difficulties to find the resources needed next year for completing our programme; but it may be too soon to worry about our ways and means difficulties for the coming year. I would like to draw particular attention to our general position. Our assets are worth Rs. 131 crores and our liabilities amount to Rs. 92 crores, leaving a favourable margin of Rs. 39 crores. The general public can therefore see that this State continues to be as safe an investment as ever, for the surplus cash in the private sector.

"The key to welfare is more production. And that cannot be achieved unless we create a zest for production. Portrait painting and works of art may flourish by reason of the pleasure in the work itself. But the hard work, and drudgery involved in the cultivation of foodcrops requires at least the sense of freedom to dispose of what is raised by that work and that drudgery. After decontrol, I have found everywhere a reaction of joy over it and a sense of general well-being and freedom almost as intensely felt as when the British left us declaring we were free to rule ourselves. I have every confidence we shall find that our people deserved this freedom. Let not political interests warp our judgment or affect our attitude in this respect. I am grateful to all those leaders who despite political and other differences welcomed the step I took and in particular to the Government of India that helped us so readily and willingly to put our policy into effect."

[27th June 1952]

SRI S. B. ADITYAN :—“ Sir, will this speech, which is, I think, supplementary to the speech of the Hon. Finance Minister, be printed and distributed to us before we actually start discussion on the Budget on Monday next? ”

* **THE HON. SRI C. RAJAGOPALACHARI** :—“ This is not really a part of the Finance Minister's speech. This is merely a summary of that speech, which is not important for the discussion. Further, we cannot arrange to print this so quickly, especially when a Sunday is intervening.”

V.—PRIVILEGE MOTION RE LEAKAGE OF INFORMATION REGARDING GOVERNMENT'S TAXATION PROPOSALS.

MR. CHAIRMAN :—“ I have received notice of a Motion given by Mr. Adityan regarding a question to be referred to a Committee of Privileges. He will now move his Motion.”

* **SRI S. B. ADITYAN** :—“ Mr. Chairman, Sir, the Motion I have given notice of runs as follows :—

‘ The question of breach of privilege of the Members of this House arising out of the publication in newspapers of the taxation proposals contained in the Hon. Finance Minister's Budget speech, before they were available to the Members of this House, be referred to a Committee of Privileges to be constituted under Rule 143 of the Council Rules. ’

Sir, I shall briefly state the facts of the case. While reading through the speech of the Hon. the Finance Minister, we find that many of these Budget proposals have actually been published in the newspapers on the 18th and the 19th of this month, though we, Members of this House, came to know of them only to-day, the 27th June. Regarding the increased levy of sales tax on the sale of petrol, the information was published in the morning editions of certain newspapers on the 19th instant. I have got the copies of those newspapers; in case the Chairman wants to peruse them, I shall hand them over to him. In the ‘ Indian Express ’ of the 19th instant, we find that this item is actually mentioned as item number one. It mentions it as a little increase in the sales tax on the sale of motor spirit. Again, with regard to the betterment levy which is mentioned as item (d) of the proposals for additional taxation in the Hon. Finance Minister's speech, the same newspaper says, ‘ It is proposed to levy a betterment fee on land. ’ This is mentioned in the ‘ Mail ’ also under huge headlines. We are now therefore faced with a serious situation, viz., some newspapers have actually published these proposals about 8 or 9 days before they were placed before the Members of this House. Even the levy of sales tax on foreign liquors is mentioned in the newspapers. It is mentioned as follows: ‘ A special tax is to be imposed on a new article ’. So, Sir, as I said, we are now faced with a serious situation, namely, that certain newspapers have published news about the

27th June 1952]

[Sri S. B. Adityan]

new items of taxation even before they were made available to us, Members of this House. The question arises as to how this Budget secret of fresh taxation proposals was communicated from the Cabinet to the newspapers. It might have been got by the newspapers from the Ministers, which, I hope, is not the case, or from some friends of Ministers or from some other persons. Anyway, these taxation proposals have appeared in the newspapers long before they were made available to the Members of this House. The Government themselves have admitted in the Ordinance recently issued by them that their taxation proposals have appeared in the newspapers. In other words, they have admitted that the proposals have been divulged. The proposals have come into the possession of the newspapers without the knowledge of responsible authorities. The question of privilege arises in this way: we, as Members of this House, are entitled to know the Budget proposals before any other person comes to know of them, or I may say, before they appear in the newspapers. For it is our right, it is our privilege to know them first. This is a serious matter. I am not mentioning any person in particular in this affair; I am not casting any reflection on any particular Minister. From May's Parliamentary Practice and Procedure, page 363, it will be seen that a Motion for the formation of a Committee of Privileges may be moved on certain urgent matters. Among those matters are mentioned things such as assaults upon members, insults to members and also communication of certain kinds of information to a newspaper. It is admitted by Government in the Preamble to the Ordinance issued recently for the levy of an increased sales tax on the sale of petrol that there has been leakage of information about it. I say this leakage of a Budget secret is a serious matter, because it may be found on investigation that there was also a violation of the Official Secrets Act. I am not in a position now to say how far that Act has been violated. But I can say that because the information regarding the taxation proposals has been divulged by a Cabinet Minister or a person in authority, it has already led to undesirable consequences such as taxation by means of an Ordinance. In Madras Ordinance III of 1952 promulgated by the Madras Government on 19th June 1952, the Preamble says—

‘Whereas information about the intention of the Government of Madras to obtain the approval of the Legislative Assembly to an increase in the existing tax on retail sales of petrol from the present rate of four annas per gallon to six annas per gallon has been unauthorizedly obtained and given wide publicity.’

Here is an open admission by Government that some unknown person in authority, I do not say necessarily a Cabinet Minister, who is supposed to keep such things secret, has given out the information. This point is amplified further in the Explanatory Statement to that Ordinance. For it says—

‘The decision of the Government to secure the approval of the Legislative Assembly to an increase in the tax on sales of petrol from four annas per gallon to six annas per gallon has been unauthorizedly obtained and given wide publicity in the newspapers.’

[Sri S. B. Adityan]

[27th June 1952]

" I submit this question of giving wide publicity to Budget proposals in newspapers before they are brought before the Legislature is a very serious matter. When such proposals are divulged to newspapers, there are certain natural consequences which follow. In every democratic State, according to democratic usage and constitutional propriety, if secrets have been let out by a Cabinet Minister, even involuntarily, even without deliberate intent on his part, it leads to his resignation. In this connexion, I shall quote some passages from the Proceedings of the House of Commons, regarding the celebrated case of Sir Hugh Dalton (Volume 444, page 551)—

7 p.m. ' M. Raikes asked the Chancellor of the Exchequer whether he has considered the accurate forecast of the Budget proposals in a newspaper on sale at 3-45 p.m. yesterday, a copy of which has been sent to him, and if he will institute an inquiry into the source of the information.'

Now it was stated in the question that it was merely a forecast. It was not even suggested, as it has been admitted in the Preamble to the Ordinance, that the information has been 'unauthorizedly obtained'. The Chancellor of the Exchequer said—

' I very much regret to tell the House that the publication to which the hon. Member refers arose out of an incident which occurred as I was entering the Chamber to make my speech yesterday. In reply to questions put to me by the Lobby correspondent of the 'Star' newspaper, I indicated to him the subject-matter contained in the publication in question.'

Then he continued—

' I appreciate that this was a grave indiscretion on my part, for which I offer my deep apologies to the House.'

You know the history of this case and how these deep apologies were not fully accepted by the House and how the grave indiscretion later on resulted in the resignation of the Chancellor of the Exchequer.

" Sir, I ask the Hon. the Chief Minister to take this House into his confidence. Now, how did this Budget secret leak out? Was it through some Cabinet Minister, and if so, we shall be very glad if the facts are told and if the proper consequences follow. But if, on the other hand, it is not due to the mistake of any Minister, even then let us hold an inquiry and find out who was the person who did this anti-social act. I ask the Hon. the Chief Minister, how did this secret leak out? If it is the fault of any Cabinet Minister, let him not shield him. Let him take the House into his confidence and let him take the proper step in the matter. If it is not to be so, he must agree and rightly agree to an inquiry being instituted so that we may go into it and give proper punishment to the person who deserves it. Sir, the proper procedure in such cases, as I have indicated in the Motion, is to refer this matter to a Committee of Privileges. The Committee of Privileges will be presided over by the Hon. Deputy Chairman and there will be Members elected by this House. That committee will go into the matter. As this matter is agitating the public mind a great deal

27th June 1952]

[Sri S. B. Adityan]

and as it has led to the issue of an Ordinance by the Governor without the consent of the elected representatives of the people, I request the Chair to treat it as a serious matter. I also request the Hon. the Chief Minister to treat it as an urgent and serious matter, and if possible, to agree to a committee going into the whole question."

* THE HON. SRI C. RAJAGOPALACHARI:—"Mr. Chairman, Sir, I do not know the procedure which you intend to follow in this case. If the Motion is to be accepted, there must be some *prima facie* grounds, and the hon. Member has placed his grounds before the House, namely, the actual passages that have appeared in the newspapers and the preamble to the Ordinance. These are the material grounds on which he bases his request. So far as the paper publication goes, it may help us to have the passages read again; they are not too long—

'New taxes, hinted at by the Chief Minister during his tour of Rayalaseema, may bring in an aggregate revenue of about . . . lakhs of rupees. There may be an additional tax on petrol. Betterment levy on land, and a tax on land growing commercial crops are mentioned, besides a suggestion to levy a tax on agricultural incomes.

Despite retrenchment here and there, the slowing down of a number of irrigation projects . . .

These are not very relevant. Then—

'Like Hyderabad and Bombay, Madras may levy an additional tax on petrol. The burden of this, it is said, may fall mainly on private car owners, but also affect bus owners.

The next two small sources of revenue suggested by the Kumaraswami Raja Ministry are the levy of tax on land which have benefited from the new irrigation sources and on land growing commercial crops.

A tax on agricultural income is also suggested but the question is . . .

In spite of all these, Rajaji may have something up his sleeves which will be divulged on June 27, when the Finance Minister will present his Budget to the Legislative Assembly.

Now, if that is taken by itself, I would submit that nowadays Editors and Reporters of newspapers have developed their own technique in making guesses, in peeping through key-holes, in listening to conversations and in collating things together and producing interesting reports. I do not think that there is anything very wonderful or surprising. At any rate, the hon. Member who moved the Motion should not be surprised at a thing like this which happens daily in his own chamber, in his editorial office. (Interruption.)

"Do not insinuate unnecessarily. You can do it when necessary.

"This is a matter for no kind of surprise to anybody and it would be idle to refer this to a committee of inquiry or an investigation department of any kind. It will be absolutely useless; much less will it be useful to refer it to a Committee of the House which

[Sri C. Rajagopalachari] [27th June 1952]

cannot investigate as a policeman could do and search houses and get things done and see whether anything useful could be got out of it.

“ The plausible point that is made next is, since we have, in issuing this Ordinance, admitted leakage, there is a case of breach of privilege. Now, it is very interesting to read the Dalton case. But everything that was said in the Dalton case has no application here. In the Dalton case, Mr. Dalton admitted that he himself had said something to a newspaper reporter and it became the duty of the Prime Minister of England to take that into account and dismiss him, but the position here is, we do not know how the leakage of information which we complain about in the Ordinance occurred and who was responsible for it; and without knowing it, there is no use whatsoever in referring it to a Committee of Privileges. I can understand it if I am asked to refer it to some of the police officers of the Government to make further research. But to refer it to a Committee of Privileges of the House, what we require is a definite failure of duty or breach of privilege on the part of a Member here or any outsider which we can definitely bring before that Committee. Now it is impossible to frame charges against the Editor of the ‘ Mail ’ on this subject, from what I have read.

“ So far as the Preamble to the Ordinance goes, the position is this—while the other things are guesses the information regarding the petrol tax which was to be levied and the form in which it appeared was proof of the *corpus delicti*, if I may say so, of the leakage. But beyond that we have nothing. That leakage had occurred is true, but who was responsible for the leakage is the proposed point for the Committee of Privileges; but the fact of leakage is enough for the issue of an Ordinance; otherwise, the Government would lose revenue as there would be rush sales of petrol on a considerable scale to avoid payment of increased tax. Therefore, the actual leakage was the cause for the Ordinance; but for a breach of privilege we should have something more. I submit there is nothing. I would not be standing in the way of an inquiry if we could get something out of it. I would very much like to get at the guilty persons. (Interruption.) My hon. Friend’s mouth waters for a Minister, but my mouth waters for the newspaperman who got the information. Whoever may be responsible, I would very much like to trace them. But it is impossible, and taking all the possibilities into account, it would be sheer waste of time for the Committee of Privileges to take up a matter of this kind. There is no question that the particular leakage referred to in the Ordinance has occurred. Regarding other things, they are guesses. Any one could make them. The betterment tax proposal has been in circulation for eliciting public opinion for a long time and even a Bill has been prepared and officers have been busy over it. So far as the tax on motor spirit goes, there was a leakage which would affect the revenues of the State. But there is no indication available for a reference to a Committee of Privileges. (Interruption.) I could order a police

27th June 1952] [Sri C. Rajagopalachari]

inquiry, as I have already said, if we expected fruitful results. It would mean getting into the offices of newspapers and getting at copies of reports and things like that. There is no other way. If a Committee of Inquiry is set up, it is not conceivable that it can get into the offices of newspapers or summon newspaper men. Inquiry is different from investigation. The hon. Member who moved the Motion knows very well the difference between inquiry and investigation. An investigation is impossible of being done by a Committee of Privileges. If it had been conceivable and possible for me, Sir, as the head of the Government, to order a police investigation, I would have done it long ago without any request from any hon. Member of this House. But it is not practicable. Just as I have put aside into the 'no action' basket a number of complaints which have been made, which may be true but in regard to which there is no hope of finding out the facts, in the same manner, I do not think a police inquiry will produce anything in this case, and I am certain a Committee of Privileges will produce nothing.

"Sir, it is another thing to say that it is the business of the Chief Minister and his Ministers to make such matters cent. per cent. proof against all leakage. If there had been no newspapers, I could guarantee that there would be no leakage. There is a profession that has been started for the purpose of getting at and exploiting leakage. I can only say that we cannot get rid of newspapers, nor can we get rid of Ministers so easily (laughter). You must pass a vote of no-confidence against a Minister if you want to get rid of him. I can cite gruesome cases about crime. Can I read them before a law court when I prosecute a person in a murder case? It would prejudice the court. The court would rule me out. The Dalton case has nothing to do with the present case. If any of my Ministers had called upon me and told me 'I was the cause for the leakage and I am very sorry that it has happened' and at the same time tendered his resignation also, I would have no hesitation in accepting it, and even if he did not tender his resignation, I would ask for it. But now it is an impossible proposal."

* SRI V. CHAKKARAI CHETTY:—"Mr. Chairman, Sir, I am rather surprised and even astounded at the immense sophistry of the Chief Minister. I have always admired his intellectual dialectics but on this occasion . . ."

THE HON. SRI C. RAJAGOPALACHARI:—"We can go to the subject without commenting on one another."

* SRI V. CHAKKARAI CHETTY:—"I am commenting upon the extreme ability and ingenuity which have been displayed by the Hon. the Chief Minister in whitewashing his Cabinet or whoever he may be who was responsible for this scandal of the first magnitude. Everywhere in Madras and other places, people have been talking about this scandal and the first duty of the Chief

[Sri V. Chakkarai Chetty] [27th June 1952]

Minister must have been to enquire into this matter before such a Motion as this was moved. Instead of doing that, he has come here and put forward an elaborate justification for this scandal.

7-15

p.m.

"If he means to say that on every occasion that a leakage of this kind takes place, it ought to be attributed to the skill in speculation of a newspaper, there could then be no leakage of a taxation proposal on which action could be taken. It is too general a proposition for the Chief Minister to make that it is possible for newspapers to make large guesses about financial matters. If that is true, then an enquiry like the one that has been asked for must be able to bring it out. The newspaper gentleman, whoever it was, that was responsible for making Cabinet secrets public, would have the candour and, I believe, the honesty to say wherefrom he got this valuable information with regard to the Budget proposals. I do believe, Sir, that the newspaper editor will be able to tell you that. Of course, you may not be able to take action against the Editor. That is not our prime purpose in bringing forward here a Motion like this. The purpose is to ask the Cabinet and the Chief Minister who is responsible for it, how such a leakage could possibly have taken place? It seems to me, Sir, that the Dalton case was a case in which, though Dalton was guilty of an indiscretion, he was at the same time honest enough to admit it. But, in this case, I am sorry to say, that no Cabinet Minister has the honesty to come forward and say that it was owing to his indiscretion that a leakage like this one had taken place."

THE HON. SRI C. SUBRAMANIAM:—"You assume that it is a Cabinet Minister that was responsible."

* SRI V. CHAKKARAI CHETTY:—"Yes, I assume that, unless you contradict it; but, you are the guilty party and I am not going to take your voice as tantamount to proof. If the Cabinet is responsible for Cabinet secrets and if they leak out, then you are responsible for it, and I have assumed rightly in this case, that you are responsible for the leakage of this Cabinet secret. If you say that you are not responsible, it simply means that it is an irresponsible Cabinet. Cabinet secrets can leak out, but at the same time you want me to presume or assume that you are not the guilty party. I charge you with being responsible for it and, if you can prove that you are not responsible but on the contrary the *Mail* has by some means or other been able to find out the secrets, then you can be exculpated. Does it mean that the *Mail* has the power of thought-reading or telepathy which has now become not merely fashionable but a scientific and an accepted fact? Do you mean to say that the *Mail* has been able to pierce into the inner consciousness of the Finance Minister and discover what new financial proposals are going to be made? I think, Sir, it is necessary to appoint a committee like the one proposed. Otherwise, an indelible stigma will attach to the present Cabinet and it will go down in history as a Cabinet that was not honest enough to admit its faults."

27th June 1952]

MR. CHAIRMAN :—“ Is the hon. Member, Sri S. B. Adityan, pressing his motion? ”

* SRI S. B. ADITYAN :—“ Sir, I am insisting on this Motion because a *prima facie* case has been clearly made out and a clearly admitted case of leakage of Budget secrets should not be brought down to the level of leakage of school examination questions which usually take place. I ask you, Sir, to hold that a *prima facie* case has been made out. I have got more evidence though I am not adducing it now. A *prima facie* case has been made out by the clear terms contained in the Preamble to the Ordinance and the Explanatory Note and also by the publications in the newspapers. A case has been made out and other people have been given the information before the hon. Members of this House have had it. That is all I need say and I insist on the Motion.”

MR. CHAIRMAN :—“ This is a very important question of privilege and I have to take some time to give my ruling. I shall do so when we meet again on the 30th instant.

“ The House will now adjourn and meet again at 4 p.m. on Monday, the 30th June 1952.”

The House then adjourned.

VI.—PAPERS LAID ON THE TABLE OF THE HOUSE.

1. *Annual Report of the Madras Public Service Commission for 1950-51 under Article 323 (2) of the Constitution of India.*

2. *Notifications making amendments to Madras Motor Vehicles Rules, 1940, published with Home Department Notification No. 357, dated 29th March 1950, as subsequently amended.*

(i) *Notification issued with G.O. Ms. No. 35, Home, dated 4th January 1952.*

(ii) *Notification issued with G.O. Ms. No. 100, Home, dated 9th January 1952.*

(iii) *Notification issued with G.O. Ms. No. 159, Home, dated 17th January 1952.*

(iv) *Notification issued with G.O. Ms. No. 892, Home, dated 7th March 1952.*

(v) *Notification issued with G.O. Ms. No. 1054, Home, dated 19th March 1952.*

Papers laid on the table of the house.

(vi) Notification issued with G.O. Ms. No. 1276, Home, dated 9th April 1952.

(vii) Notification issued with G.O. Ms. No. 1322, Home, dated 14th April 1952.

3. Ordinance—The Madras Requisitioned Land (Continuance of Powers) Ordinance, 1952 (Madras Ordinance II of 1952).

4. Amendment to the Regulation under Article 320 (3) of the Constitution of India, issued with G.O. Ms. No. 1543, Public (Services), dated 10th June 1952. [Laid on the table in accordance with Article 320 (5) of the Constitution.]



27th June 1952]

APPENDIX

[Vide item IV on page 5 supra.]

Speech of Sri C. Subramaniam, Finance Minister, presenting the Budget for 1952-53 to the Legislative Assembly and Council of Madras on the 27th June 1952.

Sir, I consider it a privilege to present this budget ^{Introductory.} to the first legislature of this State elected under our New Constitution. Honourable Members are aware that a budget for the current year was presented to the old legislature last March and a vote on account was obtained to cover the expenditure of the Government during the first four months of the year. That budget has now been revised, making allowance for the altered trend of receipts and expenditure and the changes in policies proposed by the present Government.

2. The budget, as now recast, shows that our ^{Famine.} revenues are likely to fall from Rs. 6,390 lakhs, as estimated last March, to Rs. 6,176 lakhs and that our expenditure may increase from Rs. 6,476 lakhs to Rs. 6,535 lakhs. The reasons for this adverse turn in our fortunes, are not far to seek. In preparing the earlier estimate, the Finance Department was guided, as usual, by the actuals of the first eight months, April to November, of 1951-52. Seasonal conditions, which were expected to be normal, took a distressing turn by December. No provision had been made for

[27th June 1952]

the wholesale remission and suspension of land revenue and cesses in many districts and the huge unprofitable outlay on famine relief measures. With the recent rains, we may hope to have passed through the worst phase of this famine, but as the crisis unfolded itself in all its grimness last March and April, we had necessarily to mobilise all our available resources; to ward off the impending catastrophe. In dealing with this famine, which is comparable to the worst that had afflicted Rayalaseema in living memory, we had to develop a new technique to suit the times. Famine relief measures in the past, consisted very largely of the provision of Test-works, by which, work was exacted from the able-bodied at the subsistence level of wages. The test, as prescribed in the Famine Code, was indeed rigorous and enabled the labourer, after the day's fatigue, to earn just enough to keep body and soul together and the wages were paid in the staple grains of the district. Relief administered in this severe form, did serve the end in the past, at a comparatively low cost, but this method seemed to savour of exploitation of the misfortunes of the stricken-people and fitted ill with the spirit of the new Constitution and the responsibilities of a Government set up on adult franchise. No attempt was therefore made by the Government to declare the areas as famine-affected and to apply the Famine Code. Work was provided by opening up a large number of irrigation, road and well works in all parts of the affected areas and the only limit set to this activity, was the demand for employment. Wages were paid not at the subsistence level prescribed in the Famine Code, but at current market rates. Whenever a tendency was noticed on the part of the contractors to lower wages and thereby to exploit the distress of the people, they were eliminated and direct departmental execution was ordered. Gruel centres were opened in

27th June 1952]

all areas and a cheap meal was served, free of cost, to the aged, the infirm and children. Middle class people who were unaccustomed to hire themselves out as casual labour, were assisted by the grant of subsistence loans free of interest. The grant of takkavi loans was liberalised for the support of the larger pattadars. The most distressing feature of the present famine was the acute scarcity of drinking water. Hundreds of wells were sunk and deepened at public cost and arrangements were also made for the transport of water to the affected areas by rail, motor and country carts. A lump-sum grant of Rs. 150 was sanctioned for each village-community for deepening one well in their habitation. In order to preserve the cattlewealth of the area, hill-grass and other fodder, were arranged to be sold at subsidised rates wherever possible. It is too soon to form a reliable estimate of the cost of these relief measures, because the works are still going on and the bills take time to be embodied in the Public Accounts. Under our existing system of accounts, the expenditure on different items of relief is not shown under one single head. The outlay on irrigation works is entered under the Irrigation Head, on wells under Rural Water-supply and on roads under Civil Works or grants to Local Bodies. On a rough reckoning, the total cost of all relief measures has been estimated at about Rs. 6 crores under the following broad categories:—

(a) Suspension and remission of Land Revenue and cesses—Rs. 150 lakhs.

(b) Relief works—Rs. 150 lakhs—These are made up of construction and special repairs of roads, irrigation works and wells. A portion of the outlay under this head has been found by concentrating the normal programme of the State in the famine districts; but this expedient has not gone very far.

[27th June 1952]

(c) Gratuitous relief—Rs. 50 lakhs—This is mainly the cost of running gruel centres.

(d) Takkavi and subsistence loans—Rs. 200 lakhs—The possibility that a good portion of these loans might ultimately have to be written off as irrecoverable has to be borne in mind by the Government.

(e) Miscellaneous expenditure—Rs. 50 lakhs—This sum represents the expenditure on various items such as provision of fodder for cattle, prevention of epidemics, cost of special establishments, etc.

A good portion of the total estimated outlay was incurred during the last financial year resulting in a large deficit for that year, to which I shall refer a little later. In the past, the expenditure on famine was usually met by withdrawals from the Famine Relief Fund. The amount to the credit of this fund now is about Rs. 60 lakhs and this would have been sufficient to meet the cost of relief measures on past standards. But, the present expectations on relief measures have so altered that the accumulations in the Fund would not go far and I am considering whether our annual contribution to this fund should not be enhanced with effect from next year. It is now proposed to withdraw Rs. 55 lakhs from this fund during the current year. The Government of India have taken note of our difficult financial position and the Prime Minister has expressed his anxiety to do his best to help this State. In order to release funds for relief works, the Central Government have bought Rs. 2 crores worth of our securities at current market rates. They have also promised to give us a half-grant on the sum spent on gratuitous relief and this may amount to about Rs. 25 lakhs. We should indeed be grateful for this much of monetary assistance; but considering the magnitude of the calamity that has

27th June 1952]

overtaken us, I need hardly mention that the assistance held out is not nearly enough to set us back on our feet. We have requested the Government of India for an outright grant of Rs. 2 crores and let us hope that our request will be granted. In the meanwhile, we shall keep the relief measures going to the extent necessary under the altered conditions, till a crop matures in the affected areas.

3. Before I leave this subject, I must request the House to place on record, our appreciation and gratitude for the timely help rendered by the army in relieving water scarcity and I hope my friends on the Opposition benches will join with me, in this respect. The measure of the army's help can hardly be reckoned in terms of money, but our fighting forces may well take comfort in the thought, that by this kindly act of theirs, they have earned the goodwill in abundance of the stricken people. We must record our gratitude to the Prime Minister, who had lost no time in drawing public attention to the disaster that had overtaken Rayalaseema and for the generous donation amounting to about Rs. 4 lakhs from the Prime Minister's Relief Fund. Our thanks are also due to the various non-official organizations and individuals, within and outside this State, who have canvassed assistance in cash and kind and also helped in organizing various relief measures.

4. Another important factor which has upset the balance of our budget, is the recent slump in trade and industry. As honourable Members are aware, the sales tax is our major source of revenue. To the extent prices have fallen, the yield from this multi-point-tax, will diminish correspondingly. When prices are unsteady, transactions in the wholesale market get temporarily arrested and this diminution in the total turnover, accentuates the fall in receipts

Fall in prices.

[27th June 1952]

from sales tax. On the eight months' actuals of last year, we had estimated a revenue of Rs. 1,625 lakhs under this head for 1951-52 but the collections amounted to only Rs. 1,558 lakhs, registering a fall of Rs. 67 lakhs. We are now taking credit for only Rs. 1,450 lakhs under this head for the current year, as against the estimate of Rs. 1,600 lakhs anticipated in the budget presented last March and it remains to be seen whether even this revised target would be reached at all.

Relief to
handloom
weavers.

5. The fall in prices would have been welcomed by the Government, in spite of the immediate reduction in revenues, but for the fact that it is now causing a famine of a different kind, but of almost equal malignancy, in the handloom industry, which is the sole occupation of one in every thirteen of our people. Stocks manufactured with the high-priced yarn have accumulated in large quantities with weavers, who are unable to sell them at competitive rates in the open market, where there is a glut of the cheaper mill-goods. These weavers have not accumulated reserves, with which to cut their losses and they have been without employment for some time now. The matter has been engaging the attention of the Government and they have just initiated proposals to set the wheels of this industry moving again. Unemployed weavers are to be organized into co-operative societies, the Government advancing the share capital due from individual members. The rolling capital required for the purchase of yarn will be borrowed from commercial Banks on the guarantee of the Government. Weavers will be paid daily wages, more or less at a subsistence level and the finished product will be sold at prices at which the market would absorb them. The losses sustained by the societies will also be made good by the Government. The financial consequences of these proposals cannot be assessed now, but it is

27th June 1952]

the intention of the Government to implement them irrespective of cost and to ask the House for a supplementary demand later on in the year. A solution of the problem on this basis of State-aid can only be of a temporary nature, but it is hoped that the industry would soon be able to hold its own, on a competitive basis. The lasting solution to the problem lies in finding an assured internal or overseas market and the Government will do its best to assist in this respect. In the meanwhile, the Government of India have been apprised of the facts of the situation and it is hoped that they would do their best to press handloom products to the maximum extent possible for departmental use and also to so regulate the manufacture and export of mill goods, as to create an internal demand for this cloth.

6. The fall in the general price level, which I almost seemed to regret, as Finance Minister, is however the most important factor which helped to set my mind as Food Minister, on the policy of relaxation of controls over foodgrains, now being implemented. When prices fall, speculators do not venture to make easy money by cornering stocks. They have all burnt their fingers in varying degrees in recent months and are not likely to be tempted to fresh adventures for some time. That was the reason why we are now having surprisingly large stocks of sugar, cloth and other essential articles in the free market and that was also one of the reasons why the stock of grains in Government godowns touched the peak figure of 5 lakhs of tons. We have been keeping the vexatious controls on, all these years, not because we had liked them at any time, but because we felt defenceless without them. Here then was an opportunity to shake the fetters off the cultivator, without undue risk to the consumer and the Government considered it best, not to let the chance slip. Today rice of good quality is available in adequate quantities in the free markets of all rural and urban areas of this State, at prices

Relaxation
of food
controls.

of 2000
and 1000
1000

[27th June 1952]

within the reach of the average consumer. I quite see that with the lean months immediately ahead of us, it would be presumptuous to draw optimistic conclusions; but with the stocks in Government godowns, still very much intact, we should not be unduly apprehensive. If our bold bid should succeed, we must receive in time the usual import quota of about 2 lakhs of tons of rice, to be sent to the danger zone of Malabar and the Nilgiris. And the bulk of this quota should be low-priced rice from other States in India and not the expensive stuff imported from overseas. Now that we have relinquished control over local procurement, it is no longer open to us to levy the usual surcharge on the local produce, with which to balance the high price on foreign imports. The disparity in price between the foreign and the local rice—about Rs. 12 per maund—is too vast to be subsidised in full, out of State revenues. The Government of India have given us the necessary assurances in this respect and let us hope that they would be able to sustain us, as was agreed on. The de-control would incidentally enable us to effect some retrenchment in the expenditure on food administration which has amounted to about rupees one crore per annum. This being a transition-year, we have to be alive to unexpected developments and therefore, we are not taking credit in the budget for the probable savings under this head. The final picture will be presented to the House along with the revised estimates for the year.

7. The downward trend in prices should be welcomed by us for yet another weighty consideration, namely that it is assisting a large number of hard-pressed public servants on fixed incomes, to stabilise their domestic budgets. It is no doubt true that these classes can feel appreciable relief, only if food prices fall, but the reduction though slight, in the prices of other articles such as cloth, jaggery, edible oils and condiments, is not an inconsiderable

27th June 1952]

factor. The Government have considered this question very carefully and have gone some way to give them relief. The children of all Non-gazetted Government servants, and of employees of local bodies drawing Rs. 300 and less per month, and of aided school teachers, will in future be given full-fee concessions in elementary and lower secondary schools and half-fee concessions in high schools. Non-gazetted Government servants and employees of local bodies are already enjoying certain concessions in respect of medical attention and it is now proposed to enlarge these concessions, so that they may enjoy full and free medical attention in all public medical institutions. The cost of these concessions cannot be assessed now, because relevant statistics have not been maintained. Considering that about 4 lakhs of public servants are eligible for these concessions and they may be sending their children to schools, in larger numbers in future, the ultimate cost may be of the order of rupees one crore per annum. Provision is being made in the budget for a sum of Rs. 50 lakhs as additional educational grants, but if more money is actually required, the House will be approached in due course, for a supplementary grant. The advantage of this form of relief, as against the enhancement of Dearness and other allowances, is that it reaches the people, more or less in proportion to the size and needs of their families. The Government feel that they have done their best to these people under the present circumstances and let us hope that these measures will be appreciated by the beneficiaries.

8. Before I deal with the revised budget figures for the current year, I shall refer briefly to the financial position as disclosed in the accounts of the last financial year:—

	Budget Estimates for 1951-52.	Revised Estimates for 1951-52.	Preliminary Accounts for 1951-52.
	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.
Revenue	5,963	6,348	5,918
Expenditure	6,030	6,358	6,247
Deficit	67	10	329

Accounts of
1951-52.

[27th June 1952]

It will be some time before the Accountant-General can furnish the accounts for last year as finally adjusted by him. On the basis of the information now available, the revenue for 1951-52 amounted to only Rs. 5,918 lakhs as against the revised estimate of Rs. 6,348 lakhs. The revised estimate was, as usual, prepared on the basis of eight months' actuals of the year and had not taken into account the subsequent deterioration due to adverse seasonal conditions and the slump in the commodity market. The fall in revenue of Rs. 430 lakhs occurred chiefly under "Land Revenue" (— Rs. 121 lakhs), "Stamps" (— Rs. 74 lakhs), "General Sales Tax" (— Rs. 67 lakhs), "Electricity Schemes" (— Rs. 53 lakhs) and grants from the Government of India for Grow More Food schemes (— Rs. 47 lakhs). The fall in revenue was to some extent compensated by reduction in expenditure amounting to Rs. 111 lakhs which occurred mainly under "Civil Works" (— Rs. 92 lakhs), and "Agricultural Engineering" (— Rs. 54 lakhs). The expenditure on "Police", however, showed a rise of Rs. 33 lakhs. The net result was a revenue deficit of Rs. 329 lakhs, as compared with a deficit of only Rs. 10 lakhs anticipated in the revised estimate.

9. The total capital expenditure excluding State Trading Schemes in 1951-52 was Rs. 19.7 crores which was practically the same as the revised estimate. As regards State Trading Schemes, the revised estimate took credit for a net sum of about Rs. 2 crores, but the accounts now available, show a credit of about Rs. 1 crore only. The cash balance shown in the accounts of State Trading Schemes, does not represent any profit to the Government on the working of these schemes. It only represents the net result of the purely cash transactions of the year, as posted in the accounts and does not make allowance for the value of stocks on hand, outstanding liabilities or

27th June 1952]

other dues. The Government have been subsidizing these State Trading Schemes heavily both directly and indirectly and, therefore, it was a misnomer to have called them trading schemes. It would perhaps be more appropriate to classify them as welfare schemes.

10. Under "Loans and Advances by the State Government", the net disbursements amounted to Rs. 317 lakhs as against the original Budget figure of Rs. 200 lakhs. The increase was mainly due to larger disbursements to cultivators, necessitated by the prevailing adverse seasonal conditions.

11. I now pass on to the figures in the Budget for the current year 1952-53—

	Interim Budget.	Present Budget.	Budget Estimate, 1952-53. Revenue Account.
	RS. LAKHS.	RS. LAKHS.	
(a) Revenue (on the basis of existing taxation).	6,390	6,176	
(b) Expenditure on Revenue Account.	6,476	6,535	
(c) Deficit (on the basis of existing taxation).	86	359	

As compared with the interim Budget, our revenues may go down by Rs. 214 lakhs. The reduction is mainly under General Sales Tax (— Rs. 150 lakhs) and subsidies from the Government of India for Grow More Food and other schemes (— Rs. 60 lakhs). On the other hand, the present estimate of expenditure is higher than the interim Budget by Rs. 59 lakhs. The main increases are under relief works (Rs. 73 lakhs) and fee concessions (Rs. 50 lakhs) and are off-set by the proposed withdrawal of a sum of Rs. 55 lakhs from the Famine Relief Fund. The Budget assumes that seasonal conditions in this year will be normal and therefore there will be no necessity for large-scale

[27th June 1952]

remissions. It further assumes that trade will revive after the present temporary hesitation and that wholesale prices will stabilize at about present levels. It will be seen that the deficit in the Budget as now envisaged (Rs. 359 lakhs) is of the same order as the deficit disclosed in the accounts of last year (Rs. 329 lakhs). I shall deal with the measures to cover this deficit a little later.

New
schemes.

12. Even though we are faced with an alarming deficit, substantial provision has been made in the Budget for new schemes covered by the National Plan, the ultimate cost of which will amount to Rs. 357 lakhs non-recurring and Rs. 42 lakhs recurring. A full list of the new schemes will be found in Annexure I of the Budget Memorandum. Special mention may be made of a building grant of Rs. 4 lakhs towards the opening of a new Engineering College by the Alagappa Chettiar's College Endowment Trust at Karaikudi, a building grant of Rs. 2 lakhs to the Engineering College run by the P.S.G. & Sons' Charities, Coimbatore, and special grants of about Rs. 1 lakh each to the Andhra and Annamalai Universities and Rs. 30,000 to the Madras University. Provision has been made, as usual, for building and equipment grants, amounting to Rs. 10 lakhs to various aided educational institutions. It is proposed to raise the Government Arts College for Women, Guntur, from II Grade to I Grade and new courses of study are being opened in the Arts Colleges of Srikakulam, Kumbakonam, Madras, Rajahmundry and Pudukkottai. It is also proposed to put up new buildings to accommodate the Engineering College, Anantapur, now located in semi-permanent army hutments. In the Public Health Department also, several beneficent schemes are being taken up. The available bed-strength is being increased in the City and district hospitals to the extent new space is available. The expansion of the Guntur Hospital, to an ultimate bed-strength of 500, is being sanctioned

27th June 1952]

along with the proposal to construct the Medical College buildings. Grants-in-aid will be given to 38 new Maternity and Child-Welfare Centres. A special grant of Rs. 2 lakhs is proposed to a new tuberculosis sanatorium in Malabar. A programme for the provision of drinking water in the Agency areas at an ultimate cost of Rs. 16 lakhs is being sanctioned. Amongst the new schemes of the Animal Husbandry Department, the key-village scheme is of special interest, because it aims at stocking certain select areas with cattle of improved breeds to serve as centres for the spread of those breeds to adjacent villages. In the Industries Department, it is proposed to sanction the manufacture of 50 additional hand-boring sets for being hired to cultivators. The accommodation available at Todhunternagar for low-paid employees of the Government in the City will be increased by the construction of 30 additional quarters at a cost of Rs. 2 lakhs. The usual provision is being made for loans to local bodies, Rs. 17 lakhs to the Madras Corporation, Rs. 9 lakhs to other local bodies and Rs. 10 lakhs to the City Improvement Trust.

13. Honourable Members may have heard, from accounts in the Press, of the Community Development Projects, sponsored by the Government of India, with American technical and financial aid. What is contemplated under these projects is Intensive Rural Development in certain selected areas with special emphasis on food production. Six such centres of development will be located in this State, one in the area of the Cuddapah-Kurnool canal in the Ceded Districts, another in the ayacut of the Lower Bhavani Project in Coimbatore, the third in the Malampuzha Project lands of Malabar, the fourth in the Periyar ayacut of Madurai, the fifth in the rain-soaked hinterlands of South Kanara and the last in the old delta of East Godavari. Each centre will consist of about 300 villages and will be in charge of a Development

Community
Develop-
ment
Projects.

[27th June 1952]

Officer who will be guided and advised by a committee consisting of officials and non-officials and presided over by the District Collector. The development of each centre is expected to cost about Rs. 60 lakhs and the outlay now contemplated will be spread over a period of three years. Agriculturists are to be given help for increased production in the form of manures, improved strains of seed, essential machinery, irrigation facilities and cheap credit. The social and educational aspects of rural development will also be attended to by an expert staff on the co-operative basis. It is the ultimate aim to spread out this form of development gradually from the select centres over the entire country in due course, as and when adequate money and staff become available. Financial assistance is proposed to be rendered to States in the initial years, as grants and loans from a Central Fund, to which the Government of the United States of America will make liberal contributions. The work in the States will be guided and co-ordinated by the Central organization under the control of the Planning Commission. We have just appointed a Special Officer of the status of Secretary to the Government to draw up the necessary plans. It is proposed to accord financial sanction to this programme later in the year after the investigation is completed. At this stage it is not possible to assess the direct financial implications on the State Budget and therefore only a token provision is being made in the Budget for this purpose. Operations in the field are expected to commence by next October and let us hope that the high expectations that are now being aroused, will materialize.

Firka
Develop-
ment
Schemes.

14. The work envisaged under the Community Projects is not far different in its scope or shape from what is being attempted by us in the 84 firkas selected for Intensive Rural Development. What we have been attempting in these firkas is to educate the villagers on the art of self-help, with small grants from the State in providing rural water-supply, internal

27th June 1952]

communications and common amenities. We had also combined our Khadi Development Schemes with this programme in order to absorb the idle hours of agricultural labour. We had not been able to achieve spectacular results, merely because we did not have funds enough to do the job on the American model. The Special Officer of the Government of India in charge of the Community Development Projects was pleased to observe, after his recent visit to some of our selected firkas, that we had already made a good start, comparable to what is being done under the much publicized Etawah Development Scheme of the Uttar Pradesh Government. A provision of Rs. 6 lakhs has been made in the Budget for extending our less ambitious scheme to 25 new firkas, lying contiguous to the existing ones.

15. The total estimated capital expenditure for the year outside the Revenue Account is Rs. 1,986.5 lakhs. The bulk of this expenditure is on Irrigation, Rs. 897 lakhs and Electricity, Rs. 800 lakhs. Honourable Members are aware, that early in the post-war period, long before the Planning Commission came into existence, we had launched a programme of irrigation and electricity development in this State. The Tungabhadra multi-purpose project, the Bhavani and the Malampuzha irrigation projects, the Machkund and Moyar hydro-electric projects, the Pykara, Papanasam and Madras electrical plant extensions, are some of the major items of this programme. Progress was slow in the initial years owing to the post-war shortages in machinery and technical man-power, but these bottle-necks were relieved by 1949, when increasing outlay became feasible. We had invested about Rs. 16 crores on these projects last year and a larger outlay is possible this year, if funds are available. The smaller items of this programme, such as the Nellore and Madurai Thermal Schemes, the Ceded Districts Scheme, the Vijayavada and Visakhapatnam plant extensions have already come into fruition and the

Capital
outlay.

[27th June 1952]

first set of generators of the Moyar hydro-electric project has just been commissioned. With the outlay proposed for the current year, the Bhavani Project can be completed this year and the Tungabhadra and the Malampuzha Projects can be brought up to the last stage. When our programme is completed by next year, we would have rendered additional irrigation possible on about 1 million acres of land and also doubled the power generation of the State. The Central Government, while assisting us to the maximum extent possible, by way of loans and purchase of our holdings of securities, have been advising us of late, to restrict our outlay for this year, in view of the overall financial difficulties facing the country. We have pruned down the estimates of our engineers to the maximum extent possible and have now limited the total outlay to about Rs. 20 crores, which, it is hoped, would be acceptable to the Centre. If further curtailment is not enjoined on us, as a matter of national necessity, it would be possible to go ahead with the major projects like Tungabhadra, Bhavani, Malampuzha, Machkund and Manimuttar, according to the present progress and requirements of those works. Details of the allotment under each project are given in an Appendix to the printed copy of my speech.

Grow More
Food
Schemes.

16. We have been spending, in recent years, very considerable sums for the construction of a large number of small irrigation schemes and the renovation of our existing irrigation tanks. These works of high Grow More Food value, were being subsidized by the Centre in full at one time and up to 50 per cent of the unproductive outlay in recent years. We are now told that the Centre is no longer in a position to grant these subsidies indefinitely. According to their latest formula, the agriculturists benefited by these schemes should themselves provide half the outlay in cash or kind and if that is agreed to, the remaining cost should be shared by the Centre and the State in equal proportions. We can undertake these works in future, on

27th June 1952]

the scale we had been doing so far, only if the concerned ryots volunteered to meet half the cost. I hope the necessary amount of sacrifice and co-operation would be forthcoming from the people to enable us to carry on this useful programme. In the meanwhile, we have provided in the Budget Rs. 60 lakhs for small irrigation works and Rs. 60 lakhs for the renovation of tanks. Works already on hand will be completed expeditiously, but new works of this kind can be undertaken only on the basis of self-help, with assistance from the State.

17. A provision of Rs. 70 lakhs has been made under the capital head for deposit towards compensation to zamindars and inamdars, on the acquisition of their estates. The process of acquiring these estates for being converted into the ryotwari system, is expected to be completed this year and this would register a landmark in the history of our land-tenures. Survey and Settlement operations are now going on in the areas and the long-neglected irrigation sources are all being set right at heavy public cost. It may take a few more years before these works are completed in an orderly manner; but this delay has not prevented the affected ryots from enjoying the major benefits of the scheme, such as fixity of tenure and reduction in assessment. Under the Acquisition Act, the balance of compensation due to zamindars, can be paid in full, only after the Survey and Settlement operations are completed. In order to provide a Reserve, from out of which the final payment can be made, the Government have opened a special fund, into which Rs. 30 lakhs was put in last year and Rs. 20 lakhs is proposed to be put in this year.

Zamindari
Abolition.

18. With the decontrol of foodgrains and the abolition of procurement, the transactions under State Trading Schemes will diminish very considerably. At this time of flux, it is impossible to forecast whether there would be any net credit or debit under this head, affecting the general ways and means budget. For the

State
Trading
Schemes.

[27th June 1952]

present, it is presumed that these transactions will balance each other. The Budget provides for a net outlay of Rs. 9 lakhs only, under this head, to cover the subsidy and establishment charges mainly on certain manure distribution schemes.

Loans and
Advances by
the Govern-
ment.

19. The net disbursements in the current year under loans and advances, are expected to be only Rs. 132 lakhs as against Rs. 317 lakhs last year. The reduction in outlay is due to the fact that the loan instalments postponed last year, owing to adverse seasonal conditions, are expected to be recovered along with the next harvest, which falls in the current financial year itself.

Proposals
for
additional
taxation.

20. I shall now pass on to the measures proposed by the Government to bridge the wide gap in the revenue budget. We had run into a deficit of Rs. 129 lakhs in 1950-51 and the preliminary accounts have shown a deficit of Rs. 329 lakhs in 1951-52. If we had large reserves and only inappreciable outlay on capital works, we could have desisted from levying fresh taxes to cover the deficit of a particularly bad famine year like this. But our reserves are fast getting depleted on useful capital works, and there will be very little to fall back on, at the end of the current year. The alternatives before us are, either to cut out all new schemes and retrench on existing schemes, to bring about a saving of Rs. 3½ crores or to increase our resources to cover the deficit, in keeping with the general scheme of the National Plan. That Plan envisages the augmentation of our resources by Rs. 5 crores in each of the 5 years, of which Rs. 4 crores are expected to be raised by additional taxation and Rs. 1 crore by retrenchment on routine administrative expenditure. The Plan has not made allowance for the inroads of natural calamities like famine and floods, on the resources of the State, as has happened to us now. The Government have applied their mind carefully to this matter and they feel that the proper course is to endeavour to implement the Plan, even

27th June 1952]

though it would mean some little extra sacrifice. They have therefore decided to impose the following new taxes forthwith:—

(a) A surcharge on passengers travelling by public transport buses at the rate of one pie per mile. Operators will be enjoined to levy this surcharge from passengers along with fares and remit the amounts every month into the Government Treasury. This measure is expected to give a yield of Rs. 2 crores in a full year and about Rs. 1 crore in the current year.

(b) Enhancement of the Sales Tax on motor spirit from 4 annas to 6 annas per gallon. In anticipation of the approval of the House, this measure was implemented with effect from last week. Transport buses subject to surcharge on passenger fares, will be given full rebate on this additional levy from the date the surcharge is actually collected. This measure may give Rs. 30 lakhs in a full year and Rs. 20 lakhs in the current year.

(c) Levy of a surcharge on land revenue on larger holdings based on a sliding scale. This is expected to bring in about Rs. 75 lakhs in the current year.

(d) Levy of betterment fees on lands newly brought under irrigation at public expense. The levy is proposed to be spread in easy instalments over a period of years. This may bring in about Rs. 60 lakhs in the current year.

(e) Levy of a special tax on the sales of foreign liquor to permit-holders. This may yield about Rs. 15 lakhs in the current year.

If all these proposals for new taxation are accepted, our resources during the current year will be enhanced by Rs. 270 lakhs, leaving a deficit of Rs. 89 lakhs only.

[27th June 1952]

Now that we have decontrolled foodgrains, some portion of the remaining deficit may be covered by retrenchment in the Civil Supplies Department. Any little balance that may still be left over can be met by withdrawal from the Revenue Reserve Fund. The additional taxes may be expected to yield over Rs. 4 crores in a full year and therefore we may be having some little margin in the coming year to implement a few more useful schemes covered by the National Plan, assuming of course, that Nature will be kind to us, at least in the ensuing agricultural season. We can now claim that we had played the part expected of us in the National Plan towards developing new resources and let us hope that the foreign and Central assistance held out to us in the Plan will reach us without halt or hesitation.

Ways and
Means.

21. With the breach in the Revenue budget practically closed, our requirements on the general ways and means side during the current year will be about Rs. 28 crores.

	RS. LAKHS.
(a) Overdraft from the Bank at the beginning of the year.	442
(b) Capital expenditure outside the Revenue Account.	1,986
(c) Capital outlay on State Trading Schemes ..	9
(d) Loans and advances by State Government (net disbursements).	132
(e) Repayment of the outstanding balance of the 3 per cent loan raised in 1937 and 1940.	219
(f) Minimum balance to be kept with the Bank ..	40
	2,828
	or
	28 crores.

27th June 1952]

Against this sum, we were having at the beginning of the year about Rs. 14½ crores worth of securities in the Revenue Reserve Fund and Cash Balance Investment Account and let us assume that we can cash them during the year. We may hope to raise a sum of Rs. 4 crores in the open market including a conversion operation of the loan, which becomes due for repayment this year. The Government of India had assisted us with a loan of about Rs. 7 crores last year, besides buying up large blocks of our securities. They have not yet indicated the measures of their assistance for the current year, but we may assume, that in view of our special difficulties, they might be in a position to lend us from the Special Development Fund and other sources, about Rs. 10 crores. If these anticipations materialise, we may hope to close up the year's transactions, without any appreciable overdraft from the Bank.

22. We would have practically exhausted our accumulated reserves during the course of this year. On the 1st of April 1946 we were holding unattached securities worth Rs. 43¾ crores in the Revenue Reserve Fund and Cash Balance Investment Account and this had come down to Rs. 14½ crores on the 31st of March 1952. We had thus depleted the Reserves by about Rs. 29 crores. During the same period, we had borrowed in all, from the Government of India and the open market, about Rs. 31 crores. The total worsening by about Rs. 60 crores on the debit side has been more than covered by the capital outlay of Rs. 62 crores and net disbursements to local bodies and agriculturists of about Rs. 16½ crores, making a total investment of Rs. 78½ crores during the same period. It is true that our capital investments have not yet begun to yield us a return, but they may be

Utilization
of reserves.

[27th June 1952]

expected to do so almost immediately, with the completion of our major projects. Honourable Members can, therefore, see that far from squandering our reserves, we have augmented them appreciably from current resources during this period and what is more important, put them to proper use on projects which would not only bring in a fair return to the exchequer but also spread prosperity and good cheer to large sections of the people. There is no special virtue in accumulating reserves as such. They are after all intended to meet the needs of lean years.

Assets and liabilities.

23. In respect of our debt also, we continue to maintain a very strong position. The total public debt and other liabilities of the State under all heads amounted to Rs. 92 crores on the 31st of March 1952. As against this, we held on the same date, capital and remunerative assets of the value of Rs. 131 crores. The details can be seen in Annexure II to the Budget Memorandum. I therefore claim with confidence that the advance we have so far been able to make is built upon a foundation of sound policy coupled with financial rectitude.

Conclusion.

24. I take this opportunity to place on record our gratitude for the consistent support extended to us by the Reserve Bank in recent years, in the matter of ways-and-means accommodation. No doubt, we held large blocks of securities, but those securities matured only on distant dates and the Bank was not bound to advance large sums to us on their pledge. Under the agreement with the Bank, the maximum overdraft that we are eligible to at one time is only Rs. 80 lakhs, but there were occasions in the last two years when the overdraft amounted to several times that figure. Shri B. Rama Rau, the Governor and his Deputies had recognized from the very start, that such temporary

27th June 1952]

difficulties were unavoidable for a State, implementing a substantial programme of productive capital works. They stood by us steadfastly on all those occasions and we have indeed cause to be gratified, that the direction of this great institution is in hands worthy of the people's trust and confidence.

Before I conclude, with your permission, Sir, and that of the House, I wish to express my appreciation of the able work of the officers and staff of the Finance Department, particularly that of the Finance Secretary, during the period I have been in office. It is not a mere formal compliment, for no one knows better than myself, how ably and loyally they have discharged their duties throughout this difficult period.

25. With these observations, Sir, I commend to the acceptance of the House, the budget estimate for 1952-53, as recast by the present Government.

வாய்மையே வெல்லும்
TRUTH ALONE TRIUMPHS

ANNEXURE I.

REVENUE AND EXPENDITURE ON REVENUE ACCOUNT OF THE MADRAS STATE FROM 1938-39 TO 1952-53.

Major heads of revenue.	1938-39.	1945-46.	1946-47.	1947-48.	1948-49.	1949-50.	1950-51.	1951-52 (Revised Estimate).	1951-52 (Preliminary Accounts).	Interim Budget Estimate, 1952-53.	Present Budget Estimate, 1952-53.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.
LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.	LAKHS.
A. REVENUE.											
Taxes on income other than Corporation tax	22.50	4,31.25	4,48.05	5,35.32	8,42.22	8,23.32	8,29.15	9,15.43	9,15.43	8,83.40	8,83.40
Land Revenue—											
Gross receipts including portion due to irrigation.	7,00.78	7,97.33	8,53.19	8,08.42	7,68.79	8,12.09	9,50.71	10,41.80	9,20.59	10,43.55	10,43.55
Excise	3,72.23	16,79.50	14,67.99	10,69.18	3,66.54	58.82	55.23	39.15	38.39	33.54	33.54
Stamps	1,73.37	3,74.20	4,37.74	3,35.92	4,05.57	4,32.68	4,38.49	5,28.49	4,54.61	5,19.62	4,75.00
Forest	45.63	1,43.24	1,61.39	1,82.81	1,59.57	1,65.70	1,88.56	2,23.44	2,08.04	1,86.04	2,00.00
Registration	32.70	69.83	75.96	78.90	86.55	95.47	1,07.97	1,18.49	1,09.58	1,20.00	1,20.00
Receipts under Motor Vehicles Acts.	81.22	97.96	1,31.11	1,66.64	1,97.45	3,00.73	3,48.74	3,65.38	3,90.31	3,85.66	3,85.66
Other taxes and duties—											
General sales tax	..	5,82.70	6,95.90	8,31.26	13,03.01	15,24.35	15,86.87	16,25.00	15,58.21	16,00.00	14,50.00
Other items	3.19	1,45.33	1,49.38	1,98.52	2,29.32	2,85.54	3,08.61	3,53.36	3,60.42	3,50.82	3,50.82
Total ..	3.19	7,28.03	8,45.28	10,29.78	15,32.33	18,00.89	18,95.48	19,78.36	19,18.63	19,50.82	18,00.82

27th June 1952]

Irrigation—												
Direct receipts	6-31	11-73	12-82	11-88	12-06	13-78	14-29	14-29	12-30	13-30	13-34	
Deduct—Working expenses.	—	38-39	—	79-38	—	91-08	—	1,03-44	—	1,14-94	—	1,11-62
Net receipts ..	—	32-08	—	66-56	—	79-20	—	91-38	—	1,04-08	—	1,12-81
												— 98-31
Irrigation—												
Direct receipts	1-99	2-80	3-02	2-80	3-09	4-28	4-54	2-89	3-25	4-37	4-37	
Interest	19-73	95-00	1,24-43	79-95	93-72	91-73	77-07	72-48	69-77	58-96	58-96	
Administration of Justice ..	15-39	53-75	48-92	72-51	73-12	80-99	84-55	88-52	84-65	88-76	88-76	
Jails and Convict Settlements.	5-98	15-10	13-03	13-21	15-99	22-05	20-98	25-43	19-23	23-43	23-43	
Police	5-66	18-93	15-76	13-79	70-51	37-28	26-86	27-16	28-86	19-06	19-06	
Ports and Pilotage	44-67	—	—	—	—	—	—	—	—	—	—	
Education	8-35	15-41	27-58	32-63	30-29	42-54	31-90	46-53	54-00	37-77	38-08	
Medical	10-25	18-15	17-81	20-35	23-33	23-08	27-07	25-52	25-85	25-60	25-60	
Public Health	2-59	6-63	5-95	5-49	7-79	6-34	7-55	9-09	8-70	8-02	8-02	
Agriculture	3-12	20-73	30-05	22-64	23-86	35-30	1,18-24	1,11-22	1,10-94	1,39-47	1,40-59	
Veterinary	1-02	3-34	3-62	2-73	3-50	5-30	5-93	7-94	7-54	7-92	8-34	
Co-operation	4-18	9-60	7-68	8-89	12-28	18-82	26-45	27-52	18-83	23-91	25-49	
Industries	18-85	59-17	60-06	72-49	75-31	77-32	1,20-39	1,35-60	1,13-28	2,02-14	2,23-10	
Miscellaneous departments.	7-62	11-02	15-99	17-14	20-68	25-64	42-61	36-53	41-21	37-06	37-06	
Civil Works	25-12	48-46	66-31	1,11-25	86-34	1,15-54	1,06-47	1,24-39	1,05-37	1,97-09	1,97-09	
Receipts from Electricity Schemes (Gross).	42-51	1,17-73	1,25-14	1,83-89	2,71-22	3,21-41	3,77-61	4,61-46	4,67-70	5,09-12	5,09-12	
Deduct—Working Expenses.	—	24-81	—	72-24	—	1,21-93	—	1,86-10	—	2,33-13	—	3,19-72
Net receipts	17-70	53-85	52-90	61-96	85-12	1,01-22	1,44-48	1,90-41	1,37-19	1,89-46	1,89-40	

[27th June 1962]

Major heads of revenue.	1938-39.	1945-46.	1946-47.	1947-48.	1948-49.	1949-50.	1950-51.	1951-52 (Revised Esti- mate).	1951-52 (Preliminary Accounts).	Interim Budget Esti- mate, 1952-53.	Present Budget Esti- mate, 1952-53.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.
A. REVENUE—cont.											
Receipts in aid of super-annuation.	2.88	6.03	6.46	7.39	4.80	5.07	5.96	5.06	5.02	4.79	4.79
Stationery and Printing ..	3.96	12.92	13.04	13.75	13.44	33.67	16.90	17.10	16.78	16.32	16.32
Miscellaneous—											
Gross Receipts from Bus Service (a).				23.35	95.88						
Other items	14.58	41.34	87.53	93.54	92.40	1,39.22	1,65.52	90.93	99.90	1,06.87	1,34.21
Total	14.58	41.34	87.53	1,16.89	1,88.28	1,39.22	1,65.52	90.93	99.90	1,06.87	1,34.31
Receipts from Road Transport Schemes—Gross Receipts (b).			—	—	—	1,04.06	1,16.68	1,21.39	1,14.99	1,33.08	1,33.08
Working expenses (b) ..	..	..	—	—	—	91.87	1,00.84	1,05.26	1,02.76	1,13.63	1,13.63
Net receipts	—	—	—	—	—	12.19	15.84	16.13	12.23	19.45	19.45
Miscellaneous adjustments between Union and State Governments.	0.27	0.13	0.14	0.10	0.21	0.22	0.20	0.20	0.06	0.20	0.20

1952]

Grand total ..	16,13-45	47,98-89	57,05-02	50,70-15	53,33-52	55,39-49	58,16-34	63,43-02	59,17-94	63,90-21	61,75-74
(a) The receipts are shown under "Receipts from Road Transport Schemes" from 1949-50.											
(b) Prior to 1949-50, the receipts were included under the revenue head "Miscellaneous" and the Working Expenses were shown under the expenditure head "Miscellaneous."											
Major heads of expenditure.	1938-39.	1945-46.	1946-47.	1947-48.	1948-49.	1949-50.	1950-51.	1951-52 (Revised Estt. Accounts).	1951-52 Interim Budget Estimate, 1952-53.	1952-53. Budget Estimate, 1952-53.	Present
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.
Land Revenue ..	25-36	26-01	27-12	28-98	37-44	40-42	46-10	31-92	88-43	86-74	86-76
Excise ..	32-18	51-59	53-09	59-44	69-04	77-24	79-79	77-04	83-68	77-91	77-91
Stamps ..	4-72	13-74	18-23	21-04	21-16	23-05	28-25	28-23	23-72	25-22	25-22
Forest ..	40-17	77-00	80-15	86-29	79-10	79-26	74-81	80-51	79-46	83-24	83-48
Registration ..	29-13	38-56	43-75	48-62	51-86	60-83	52-19	59-65	53-55	54-70	54-82
Charges on account of Motor Vehicles Acts—											
Payment to local bodies.											
Other departmental expenditure.	75-06	68-19	80-67	96-47	1,01-67	90-27	90-34	90-32	90-73	90-32	92-87
						6-59	8-50	9-62	9-93	9-48	9-18

B. EXPENDITURE ON REVENUE ACCOUNT.

Major heads of expenditure:	1938-39.	1945-46.	1946-47.	1947-48.	1948-49.	1949-50.	1950-51.	1951-52 (Revised Estimate).	1951-52 (Preliminary Accounts).	Interim Budget Estimate, 1952-53.	Present Budget Estimate, 1952-53.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.
B. EXPENDITURE ON REVENUE ACCOUNT—cont.											
Other taxes and duties—											
Payments to local bodies.	64	48.41	68.72	87.03	1,19.47	97.72	1,01.94	1,18.22	1,12.46	1,10.00	1,10.00
Other departmental expenditure.						43.03	45.45	45.06	48.64	45.43	45.43
Irrigation—Interest on works for which capital accounts are kept.	87.59	89.45	91.23	95.71	1,04.15	1,19.15	1,42.21	1,77.09	1,77.09	2,16.05	2,16.05
Irrigation—Other revenue expenditure financed from ordinary revenues.	39.09	77.54	93.94	1,28.06	1,43.57	1,49.42	1,43.25	1,40.52	1,30.11	1,28.84	1,28.84
Construction of irrigation, etc., works.	1.25	6.11	0.63	2.60	4.07	5.80	3.29	0.17	0.55	0.14	0.14
Interest on debt and other obligations.	58.54	65.40	78.52	81.96	1,00.04	1,09.39	1,23.66	1,54.06	1,29.53	1,77.37	1,62.08
Deduct—Interest transferred to Commercial Departments.	—1,07.54	—1,26.45	—1,31.53	—1,47.82	—1,73.58	—2,13.18	—2,65.54	—3,43.57	—3,43.57	—4,34.25	—4,34.25
Net amount met out of ordinary revenues.	—49.00	—61.05	—53.01	—65.86	—73.54	—1,03.79	—1,41.88	—1,89.51	—2,14.04	—2,56.88	—2,72.17
Appropriation for reduction or avoidance of debt.	5.13	55.90	57.00	1,42.73	69.68	75.47	75.88	1,02.31	1,02.31	1,00.97	1,06.26
General administration ..	2,76.76	4,27.24	6,13.86	5,60.40	5,82.05	6,26.32	6,54.90	6,66.43	7,31.89	7,04.12	7,11.61
Administration of Justice ..	90.63	1,28.80	1,42.42	1,45.64	1,50.03	1,58.34	1,65.56	1,71.05	1,75.86	1,71.50	1,72.82
Jails and convict settlements.	23.22	61.50	65.78	79.63	1,10.22	1,18.52	1,20.37	1,25.38	1,29.54	1,21.54	1,21.93
Police ..	1,60.96	2,98.03	4,05.71	4,64.81	6,51.97	6,89.89	6,98.89	6,83.43	7,16.88	6,67.27	6,68.38
Ports and Pilotage ..	..	5.00	4.56	..	0.01	..	..	..	..	..	..
Scientific Departments ..	0.96	1.53	1.21	1.37	1.52	1.58	1.64	2.23	2.31	1.90	1.92
Education ..	2,61.98	4,59.72	5,90.27	7,03.70	8,85.94	9,58.41	10,42.65	10,94.39	10,95.64	11,24.16	11,79.67
Medical ..	98.14	1,80.00	2,15.93	2,38.50	2,76.54	2,96.18	3,14.87	3,30.08	3,14.46	3,27.25	3,33.81
Public Health ..	26.57	54.48	87.32 (a)	1,90.55	90.54 (b)	1,14.42	1,04.66	1,61.58	1,85.77	1,43.19	1,49.10
Agriculture ..	20.62	74.06	1,65.74	1,16.93	1,26.74	1,82.74	2,75.35	3,82.03	3,11.54	3,83.97	3,88.74
Veterinary ..	12.85	23.64	26.95	31.81	40.58	49.67	56.69	66.32	61.31	60.60	62.02

27th June 1952]

APPENDIX

Co-operation	13.82	30.93	44.33	42.69	53.41	73.64	76.48	76.68	74.99	75.86	77.81
Industries	27.54	72.49	96.60	1,12.71	1,20.30	1,29.00	1,57.46	2,23.19	1,87.03	2,67.08	2,95.50
Capital outlay on Industrial Development.	..	22.10	..	0.02	0.06	0.32	0.25	1.19	0.35	0.25	0.25
Aviation	..	..	..	..	..	0.59	.75	.55	0.43	.65	.65
Miscellaneous departments (d).	21.11	71.93	87.50	1,19.82	1,15.55	1,31.99	1,49.34	1,65.43	1,60.28	1,71.17	1,73.54
Civil Works	1,19.70	2,81.65	3,97.72	4,66.69	5,88.84	7,30.05	8,27.83	8,01.20	7,09.12	8,31.36	8,27.69
Interest on capital outlay on Electricity Schemes.	18.92	35.96	39.45	49.92	66.92	87.41	1,14.36	1,57.28	1,57.28	2,07.10	2,07.10
Other revenue expenditure connected with Electricity Schemes.	..	1.13	2.32	2.92	0.11	— .34	8.47	— .24	10.18	— 2.47	— 1.37
Famine	16.04	6.32	20.88	3.80	4.75	25.03	8.00	11.58	13.95	7.41	(c) 60.48
Territorial and Political Pensions.	..	..	..	..	..	..	1.94	7.31	2.07	7.03	— 55.00
Superannuation allowances and Pensions.	97.12	1,38.19	1,43.30	1,57.53	1,56.36	1,65.44	1,85.24	1,98.45	1,92.88	1,92.31	1,92.31
Commutation of pensions ..	..	3.59	2.68	1.83	4.37	8.13	9.59	10.18	17.05	9.40	9.40
Stationery and printing ..	27.07	43.07	51.66	49.42	71.98	94.51	87.10	81.31	90.95	71.06	71.15

(a) Includes Rs. 100 lakhs representing contribution to the Rural Water-supply Fund.

(b) Includes Rs. 10 lakhs representing contribution to the Rural Water-supply Fund.

(c) Represents amount transferred from the Famine Relief Fund.

(d) Includes expenditure on Harijan Uplift, Labour and other items. The details of expenditure under Harijan Uplift are shown below : —

	Accounts, 1945-46.	Accounts, 1946-47.	Accounts, 1947-48.	Accounts, 1948-49.	Accounts, 1949-50.	Accounts, 1950-51.	1951-52 (Revised Estimate).	1951-52 (Prelimi- nary Accounts).	Interim Budget Estimate, 1952-53.	Present Budget Estimate, 1952-53.
	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.
Gross expenditure on Harijan Welfare.	28.84	35.29	41.38	63.75	82.44	1,00.46	1,13.11	1,16.70	1,09.73	1,12.57
Amount met from the Fund for Village Recon- struction and Harijan Uplift.	..	..	— 1.81	— 4.10	— 18.44	— 36.46	— 49.11	— 52.70	— 45.73	— 48.57
Net amount ..	28.84	35.29	39.57	59.65	64.00	64.00	64.00	64.00	64.00	64.00

Major heads of expenditure.	1938-39.	1945-46.	1946-47.	1947-48.	1948-49.	1949-50.	1950-51.	1951-52 (Revised Estimate).	1951-52 (Preliminary Accounts).	Interim Budget Estimate, 1952-53.	Present Budget Estimate, 1952-53.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.
B. EXPENDITURE ON REVENUE ACCOUNT—cont.											
Miscellaneous—											
Expenditure on Bus Service.	..	..	..	12.44	90.81	*	..	..	..	..	..
Other items	4.39	1,52.66	(a) 5,21.98	1,06.86	1,33.24	43.58	29.76	23.72	23.62	72.35	22.35
Extraordinary charges—											
Net outlay on State Trading Schemes transferred to the Revenue Account.	..	— 1,60.35	12,20.77	— 16.04	2,03.63	(b)	(b)	(b)	(b)	(b)	(b)
Other items	..	— 0.02	2,15.90	1,84.53	78.61	1,13.41	1,06.29	94.58	95.99	87.96	90.46
Total	..	— 1,60.37	14,36.67	1,68.49	2,82.24	1,13.41	1,06.29	94.58	95.99	87.96	90.46
Transfer to Revenue Reserve Fund.	..	17,31.00	..	4,90.00	..	..	..	..	..	..	..
Civil Defence	..	1,62.64	38.79	20.29	1.17	0.72	0.46	0.16	0.05	..	..
Grand total	..	47,98.74	57,04.65	50,69.93	53,33.42	55,54.01	59,45.21	63,57.64	62,47.04	64,76.18	65,34.44
Final Revenue Surplus (+) or Deficit (—).	+ 3.73	+ 0.15	+ 0.37	+ 0.22	+ 0.10	+ 35.48	— 1,28.87	— 9.62	— 3,29.10	— 85.97	— 3,58.70

(a) Includes Rs. 400 lakhs representing contribution to the Village Reconstruction and Harijan Uplift Fund.

(b) Shown under Capital Account. The figures are: — 4,49.11 — 1,38.13 — 2,24.27 — 1,31.11 + 28.81 + 8.81

* Working Expenses of the Madras City Bus Service are taken in deduction of the receipts from 1949-50.

27th June 1952]

ANNEXURE II.

DETAILS OF CAPITAL EXPENDITURE.

Description of schemes.	Approximate estimated cost.	A. IRRIGATION, NAVIGATION, ETC., SCHEMES.									
		(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.
Tungabhadra Project (Irrigation Side).	17,00-00	52-40	1,07-92	1,82-27	2,42-01	2,28-51	3,40-00	11,54-11	2,90-00	2,90-00	2,90-00
Lower Bhavani Project	8,03-00	..	1-85	29-38	1,62-05	2,55-99	2,60-00	7,09-27	1,94-00	1,94-00	1,94-00
Mettur Canals Scheme	2,36-00	..	..	..	5-97	13-39	27-46	45-92	35-13	35-13	35-13
Malampuzha Project	3,81-00	..	..	..	18-49	60-93	84-86	1,64-13	1,00-33	1,00-33	1,00-33
Rallapada Project	48-00	..	..	01	4-60	2-74	4-78	12-80	13-49	10-49	10-49
Manimuthar Project	3,69-00	..	..	..	..	6-09	13-60	19-59	50-20	40-20	40-20
Godavari Delta System	(a)	9-57	20-79	(b)	84	4-55	4-55	39-25	12-71	10-03	10-03
Krishna Delta System	(a)	1-29	14-94	(c)	22-49	8-10	8-10	86-08	24-99	19-99	19-99
Rompur Drainage Scheme	1,01-00	2-80	..	2-17	1-26	22-69	10-54	2,02-53	75-00	60-00	60-00
Tank Improvement Schemes	..	..	..	..	..	1,05-53	47-00	..	75-00	75-00	75-00
Lump-sum provision for Irrigation Schemes having G.M.F. value.	(a) - 5-32	..	7-70	29-32	19-91	62-72	50-14	1,64-77	88-13	68-13	68-13
Other Irrigation Schemes (Productive and Unproductive).	1-04	..	3-67	3-55	1-75	7-07	4-75	21-83	6-29	6-29	6-29
Pro-rata charges on Establishment and Tools and Plant.	..	..	..	..	..	-1,06-57 (c)	..	-1,06-57 (c)	-80-00	..	..
Lump-sum deduction for probable savings.	..	..	..	..	..	..	..	..	..	..	..
Total ..	..	61-58	1,56-88	2,48-66	4,78-45	6,62-49	9,05-62	25,13-71	8,96-59	8,96-59	8,96-59

(a) Consists of several works some of which have been completed while others are in progress. Hence no estimated cost is given.

(b) Included under "Other Irrigation Schemes."

(c) Represents transfer from the Deposit Account of Procurement Bonus given by the Government of India towards expenditure on approved G.M.F. Schemes.

[27th June 1962]

Description of schemes.	Approximate estimated cost.	1946-47.	1947-48.	1948-49.	1949-50.	1950-51.	Revised Estimate, 1951-52.	Total (1946-47 to 1951-52).	Interim Budget Estimate, 1952-53.	Present Budget Estimate, 1952-53.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.
B. CAPITAL OUTLAY ON ELECTRICITY SCHEMES.										
Machkund Hydro-Electric Scheme	12,87-40	3-32	10-00	29-18	39-38	72-79	2,28-26	4,33-02	2,61-54	2,61-50
Moyar Hydro-Electric Scheme ..	4,63-90	23-68	35-67	69-96	64-68	74-72	66-85	3,35-56	11-66	10-31
Pykara Hydro-Electric Scheme ..	..	21-45	71-56	40-18	82-01	1,13-98	86-66	4,20-84	1,77-67	1,40-95
Mettur Hydro-Electric Scheme ..	..	20-27	60-44	63-21	65-49	1,01-82	32-08	3,98-31	96-15	75-91
Papanasam Hydro-Electric Scheme.	..	17-54	— 65	90-33	66-09	58-97	58-80	2,91-67	97-90	71-40
Madras Thermal Electric System ..	6,21-00	..	1,65-67	45-16	34-40	1,76-78	1,04-00	5,80-01	1,41-76	1,27-40
Ceded Districts Scheme ..	75-78	..	55	10-26	13-83	22-97	17-26	6-60	71-47	9-66
Vizakhapatnam Thermal Scheme ..	..	2-46	5-54	4-04	17-09	10-38	8-79	48-30	10-89	6-21
Vijayavada Thermal Scheme ..	..	2-12	15-77	8-76	16-46	4-62	5-13	52-86	16-29	5-13
Kakinada Thermal Scheme ..	..	..	18	13	3-01	4-57	3-51	12-78	2-08	1-28
Vijayavada-Rajahmundry-Samalkot Extensions.	1,57-74	6-88	22-76	41-49	35-46	46-40	13-86	1,66-85	14-92	10-25
Nellore Thermal Scheme	1,01-00	..	27-13	.. 00	6-92	18-02	6-46	59-43	15-90	13-67
Kurnool Thermal Scheme	..	1-12	.. 08	.. 47	1-86	0-59	0-43	4-35	1-77	1-52
Tungabhadra Hydro-Electric Scheme.	7,94-00	..	..	..	..	0-98	2-32	3-25	35-30	18-16
Lump-sum provision for payment of compensation for acquisition of electrical undertakings of local authorities and private com- panies.	3,39-00	..	..	..	..	..	20-00	20-00	64-43	20-00
Other Minor Schemes	..	1-28	.. 31	.. 43	6-67	31-68	33-20	77-76	41-47	28-00
Lump-sum deduction for probable savings.	..	..	..	..	..	..	..	..	1,99-39	..
Total ..	..	1,00-85	4,24-76	4,24-55	5,63-85	7,37-45	7,25-00	29,76-46	8,00-00	8,00-00

Description of schemes.	1946-47.	1947-48.	1948-49.	1949-50.	1950-51.	1951-52 (Revised Estimate).	Total (1946-47 to 1951-52).	Interim Budget Estimate, 1952-53.	Present Budget Estimate, 1952-53.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.
C. INDUSTRIAL DEVELOPMENT SCHEMES.									
Cinchona Plantations	13.71	13.04	17.23	21.52	12.44	9.82	87.76	6.97	6.98
Kerala Soap Institute	..	..	..	..	..	0.11	0.11	0.40	0.40
Madras Industrial Engineering Workshop.	..	..	..	0.02	..	..	0.02	..	..
Fish Liver Oil Industry	..	..	..	0.05	0.05	0.40	0.50	2.00	2.00
Madras Vegetable Ghee Factory	27	27	2.01	4.25	3.16	1.75	12.11	1.70	1.70
Government Silk Filatures	..	..	..	1.33	0.14	2.39	3.89	..	0.20
Polytechnics (buildings and tools and plant).	..	..	..	9.58	2.47	22.53	34.58	21.25	14.77
Artesian Wells	..	..	..	..	9.80	5.00	15.80	0.15	0.15
Shares in Fertilisers and Chemicals, Limited, Travancore.	..	..	20.00	..	1.00	..	21.00	..	..
Shares in Madras Industrial Investment Corporation, Madras.	..	..	51.00	..	51.00	..	1,02.00	..	..
Other Shares	..	..	..	..	2.40	..	2.40	..	..
Ceramic Industry	..	..	0.02	16	..	0.82	1.00	6.50	6.30
Andhra Paper Mills	..	..	25.35	..	0.43	0.48	26.26	..	..
Total ..	13.98	13.71	1,15.61	36.94	82.89	44.30	3,07.43	38.97	32.50
D. CAPITAL OUTLAY ON ROAD TRANSPORT SCHEMES.									
Madras City Bus Service	2.76	30.68	26.65	12.95	3.83	4.68	77.19	..	6.48
E. CAPITAL OUTLAY ON CIVIL WORKS.									
Original Works—Buildings	10.72	9.89	33.36	61.09	84.51	1,16.07	3,15.64	1,80.94	1,30.94
F. COMPENSATION TO ZAMINDARS.									
Advance Compensation and interim payments.	..	..	..	1,32.16	1,17.87	1,68.50	4,18.53	70.00	70.00

Notes.—For State Trading Schemes, see footnote on page 34 above.

[27th June 1952]

ANNEXURE III.

STATEMENT OF THE DEBT POSITION OF THE MADRAS GOVERNMENT (EXCLUDING TEMPORARY ADVANCES).

When issued.	Description of loan.	Total amount issued.	Amount outstanding on 31st March 1952.	Remarks.
(1)	(2)	(3)	(4)	(5)
		RS. LAKHS.	RS. LAKHS.	
I. OPEN MARKET LOANS.				
September 1937 and September 1940.	3% Loan, 1952, I and II issues.	2,33.54	2,18.95	
September 1938.	3% Loan, 1953.	1,51.29	1,42.08	
June 1939 ..	3% Loan, 1953.	1,50.00	1,23.96	
September 1942.	3% Loan, 1955.	1,25.00	1,23.25	
September 1943.	3% Loan, 1956.	1,25.10	1,25.10	
August 1944 ..	3% Loan, 1958.	1,10.00	1,07.95	
September 1945.	3% Loan, 1960.	3,00.00	2,78.44	
September 1946.	2½% Loan, 1961.	4,09.30	3,81.77	
July 1950 ..	3% Development Bonds, 1960.	4,39.75	4,38.23	
September 1951.	3½% Loan, 1962.	3,01.49	3,01.49	
	Total, I ..	23,45.47	22,41.25	
II. LOANS FROM THE CENTRAL GOVERNMENT.				
(1) Pre-autonomy consolidated debt (1st April 1937).	..	7,56.71	3,19.77	The Madras Government's debt to the Government of India after certain adjustments amounted to Rs. 7,56.71 lakhs on 1st April 1937. This debt was consolidated into a 4½ per cent loan and it is repayable by 1981-82 by half-yearly equated instalments.
(2) Post-autonomy debt—				
1947-48 ..	..	..	6,00.00	These are loans given by the Government of India for capital expenditure on Irrigation and Electricity Schemes when the Madras Government did not raise any market loan. Interest is payable at 2.7/8 per cent half-yearly. The principal is repayable after 15 years in each case.
1948-49 ..	..	..	3,00.00	
1950-51—				
Fisheries Programme—	..	1.33	..	As there was no likelihood of the loan being utilized for the purpose, it was repaid to the Government of India in full with interest at 3½ per cent per annum in October 1951.
For giving a loan to the South Madras Fishermen Co-operative Society.	..	..	..	

27th June 1952]

When issued.	Description of loan.	Total amount issued.	Amount outstanding on 31st March 1952.	Remarks.
(1)	(2)	(3)	(4)	(5)
		RS.	RS.	
		LAKHS.	LAKHS.	

II. LOANS FROM THE CENTRAL GOVERNMENT—cont.

(2) Post-autonomy debt—cont.

1950-51—cont.

Tractor	..	30-00	} Loans given by the Government of India in connexion with the Intensive Cultivation Schemes. Interest at 3½ per cent per annum is payable half-yearly. Principal is repayable after 15 years.
Reclamation.	..	20-00	
Oil Engines,	..	..	} Loans given in connexion with the Intensive Cultivation Schemes. Interest at 3½ per cent per annum is payable half-yearly. Principal is repayable after 15 years.
Electric Motors, etc.,	..	40-00	
Hire purchase.	..	..	} The loan was free of interest and the principal was repaid on the 31st March 1952.
Oil Engines,	..	45-00	
Electric Motors, etc.,	..	..	} This was a short-term loan repaid on the 31st March 1952.
Hire purchase.	..	10-00	
P.W.D. Irrigation and Tank Improvement Schemes.	..	..	} Repayable by annual equated instalments commencing from 1955 and ending in 1961. For the first three years, i.e., 1952-53, 1953-54 and 1954-55, interest alone at 3½ per cent per annum is to be paid
Purchase of cotton seeds from Madhya Pradesh for expansion of cotton cultivation.	..	1,00-00	

1951-52—

Purchase and distribution of manure to the ryots.	..	6-00-00	} Repayable by annual equated instalments commencing from 1955 and ending in 1961. For the first three years, i.e., 1952-53, 1953-54 and 1954-55, interest alone at 3½ per cent per annum is to be paid
To finance capital expenditure on Tungabhadra and Lower Bhavani Projects.	..	28-00	
P.W.D. Irrigation Schemes.	..	9-00	} Repayable in ten annual equated instalments with interest at 3½ per cent per annum.
River Pumping Schemes.	..	..	

[27th June 1952]

When issued.	Description of loan.	Total amount issued.	Amount outstanding on 31st March 1952.	Remarks.
(1)	(2)	(3)	(4)	(5)
		RS.	RS.	
		LAKHS.	LAKHS.	

II. LOANS FROM THE CENTRAL GOVERNMENT—cont.

(3) Post-autonomy debt—cont.

1951-52—cont.

Tractor Cultivation Schemes.	13-00	Repayable in ten annual equated instalments with interest at 3½ per cent per annum.
Purchase and distribution of oil engines, and electric motor pump-sets.	12-00	Repayable in five annual equated instalments with interest at 3½ per cent per annum.
Industrial Housing Schemes.	9-00	This loan was interest-free and the principal is repayable after 25 years.
Total, II ..	20,20-77	
Total, I and II ..	42,52-02	

III. SPECIAL IRREDEEMABLE LOANS

	Amount.
	RS.
(1) Four bonds bearing interest at 8 per cent per annum issued between the years 1796 and 1807.	1,33,000
(2) Two bonds bearing interest at 6 per cent per annum issued in the years 1795 and 1817.	10,500
(3) A deposit bearing interest at 6 per cent per annum received in 1817.	41,770
(4) A deposit bearing interest at 4 per cent per annum (now treated as an Endowment for the Stanley Hospital, Madras).	66,878
Total, III ..	2,52,148
	or
	2,52 lakhs.
	RS.
	LAKHS.
Grand total—Loans outstanding on the 31st March 1952 (I + II + III).	43,64-54

27th June 1952]

ANNEXURE IV.

STATEMENT COMPARING THE PROVISION MADE IN THE REVISED ESTIMATE, 1951-52, AND BUDGET ESTIMATE, 1952-53, FOR THE SCHEMES INCLUDED IN THE FIVE-YEAR PLAN WITH THE ALLOTMENTS ORIGINALLY MADE IN THAT PLAN FOR THESE TWO YEARS.

	1951-52.		1952-53.	
	Plan.	Revised Estimate.	Plan.	Present Budget Estimate.
	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.	RS. LAKHS.
I. Agricultural and Rural Development—				
1 Agriculture	478	536	352	345
2 Veterinary and Animal Husbandry	20	20	20	19
3 Dairying and Milk supply	16	15	15	15
4 Forest	11	10	7	10
5 Co-operation	24	10	28	13
6 Fisheries	12	16	19	12
7 Rural Development	29	24	31	29
Total, I ..	589	631	472	443
II. Major Irrigation and Power Projects.	1,804	1,471	2,268	1,544
III. Industry—				
1 Cottage Industries	37	22	21	28
2 Other Industries	59	46	27	32
Total, III ..	96	68	48	60
IV. Transport (Roads) ..	204	202	152	162
V. Social Services—				
1 Education	142	117	158	118
2 Medical	102	47	81	74
3 Public Health	168	145	173	110
4 Housing	120	91	120	81
5 Labour and Labour Welfare	..	..	..	..
6 Amelioration of Backward Classes	93	124	93	123
Total, V ..	625	524	625	486
Grand total ..	3,318	2,896	3,565	2,695

